



Transit Manual Supplement

Excise Customs Stamps and Money

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1. Introduction

1.1 Scope of this supplement

This supplement provides guidance for both UK Customs and traders.

It supplements the European Commission Transit Manual by providing additional information where deemed necessary and is drafted from the UK perspective.

It should not be read in isolation.

It also provides information on the completion and control of the T5 Control Copy (C1125)

1.2 Community/common transit (CT): Law

CT procedures are governed by the following EU Regulations:

- Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code;
- Commission Regulation (EEC) No. 2454/93 laying down provisions for the implementation of the Customs Code;
- The Convention on a Common Transit Procedure, which extends the Community Transit system to certain non-EU countries; currently the EFTA countries and Turkey.

Community/common transit regulations have the force of law in all EU Member States and Contracting Parties to the Convention on a Common Transit Procedure.

The EU Regulations referred to above do not include the provision of sanctions against persons or companies who fail to observe the legal provisions. Such sanctions are provided in each Member State through the enactment of national legislation.

The UK legislation applicable to CT is as follows:

- The Commissioners for Revenue and Customs Act 2005.
- Customs and Excise Management Act 1979. Please note that certain sections will have ceased to have effect since the introduction of The Commissioners for Revenue and Customs Act 2005.
- The Customs and Excise (Transit) Regulations 1993 (Statutory Instrument 1993/1353), as amended by Statutory Instrument 1993/3014.
- Finance Act 2003 Sections 24 to 41.

- Customs (Contravention of a Relevant Rule) Regulations 2003 (+ schedule of contraventions) (Statutory Instrument 2003/3113) as amended by Statutory Instrument 2009/3164.
- Export (Penalty) Regulations 2003 (+ schedule of contraventions) (Statutory Instrument 2003/3102).

1.3 Overall policy objective of CT

To administer and control CT to ensure compliance with EU and national law; to do so efficiently and effectively in a way that balances the requirements of the law with the need to avoid undue burdens on business.

1.4 Main control objectives of transit, Community status and Control Copy T5

For goods departing the UK:

- the goods, the transit declaration, Community status document or Control Copy T5 are correctly presented at the office of departure or another designated place;
- the transit declaration, the Community status document or the T5 Control Copy is appropriate, correctly completed and authenticated;
- enquiry action is initiated within legal timescales.

For goods arriving in the UK:

- the goods, the transit declaration, Community status document or T5 Control Copy are correctly presented at the office of destination or another designated place;
- the goods are of the same quantity, description and status as those on the declaration;
- the goods are accompanied by the appropriate documentation which is correctly completed;
- the transit procedure is ended and discharged within the set timescales;
- enquiries from other EU Member States and common transit countries are actioned and returned within legal timescales.

1.5 The Customs transit structure and roles and responsibilities of its officers

1.5.1 UK Transit Statement of Service

The Transit Statement of Service (TSOS) reflects common, European-wide objectives aimed at ensuring the consistent application of procedures relating to transit and Community status. The TSOS is drawn up and controlled by Customs Directorate.

1.5.2 National Transit Co-ordinator

Each EU Member State and common transit country has a National Transit Co-ordinator who is accountable to the European Commission and is responsible for ensuring that all objectives in the EU Commission's Transit Management Plan are implemented nationally. The UK's National Transit Co-ordinator is located in Customs Directorate.

1.5.3 Community Transit Liaison Officers (CTLOs)

CTLOs are responsible for:

- Ensuring a consistent approach to transit procedures , to encourage a uniform application of CT/NCTS/TIR nationally and to complement the technical, assurance and control elements of the procedure.
- Ensuring that departmental policy is reflected appropriately – to promote policy as directed and to assist in the delivery of strategies as identified by the current action/assurance plans.
- Transit Statement of Service – providing assurance/feedback to the EU Commission (via the national Transit Co-ordinator) for its Transit Management Plan.
- Assurance Plans – assuring that CT/NCTS/TIR is included in relevant business stream assurance plans and risk testing.
- Assisting in developing operational policy – to provide Customs Directorate with a view of local practice and specific risks, helping the formulation of effective and practical operational policy.
- Monitoring guidance (legislation and procedural changes) – monitoring and assisting in identifying required changes or amendments to CT/NCTS/TIR guidance.
- Delivery of internal education – assisting in officer education (re-education) on CT/NCTS/TIR procedures.

- Delivery of external education – assisting in trader education on CT/NCTS/TIR procedures.
- Training needs analysis – identifying training/skills gaps within CT/NCTS/TIR procedures and directing personnel to appropriate training resources if required.
- Research resource – acting as resource to Customs Directorate policy team and colleagues in the transit research and analysis role, and in resolving areas of doubt.
- Local liaison – serving as local liaison/contact for colleagues in Local Compliance, Large Business Service, Border Force and to other CTLOs, ITDLOs, Central Community Transit Office (CCTO), Customs Directorate, other EU Member States/Contracting Parties and to third parties e.g. Contact Centres (National Advice Service).
- Disseminating information – distributing, circulating and publicising information within the region as and when required.
- CT standing data – assuring that information within the Business/Local compliance areas relating to CT standing data is maintained and current, e.g. Customs Office List (COL) and local departmental users of NCTS.
- Incident reporting - ensuring that all CT/NCTS incidents/irregularities are recorded on DCIS/CENTAUR and that significant incidents/irregularities are reported to the CCTO and to Customs Directorate.
- Activity reports – to produce activity reports for Management Assurance purposes and local NCTS reports for Customs Directorate if required.

1.5.4 Regional Business Managers:

Regional business managers are responsible for ensuring that sufficient local resources are allocated so that the main CT control objectives are met. The extent and nature of the validation and control checks undertaken by regional staff are recorded in local profiles and the results are fed into the Regional Assurance Programmes.

1.5.5 The Central Community Transit Office (CCTO):

The CCTO works to a Service Level Agreement that reflects the objectives of the UK National Transit Plan and the requirements of the EU regulations. The Service Level Agreement is reviewed on an annual basis and results are reported to the National Transit Co-ordinator.

The CCTO is also responsible for ensuring correct and timely action in relation to:

- (a) enquiries and verifications to/from other Member States and common transit countries;
- (b) general Customs and trade enquiries on the operation of the New Computerised Transit System (NCTS);
- (c) updates to the NCTS standing data;
- (d) updates to the Specimen Management System (SMS) on lost, forged or stolen CT stamps, seals and guarantee certificates and dissemination of information to regional officers;
- (e) notifications to principals/carriers and guarantors when transit movements are not ended or discharged correctly;
- (f) authorisation, control and review of regular shipping services and CT, Community status, T5 Control Copy and TIR simplifications approved in the UK;
- (g) approval of CT air simplifications applied for in other EU Member States and common transit countries;
- (h) approval of CT authorised regular shipping services and sea simplifications applied for in other EU Member States;
- (i) discharge of movements and resolution of irregularities relating to goods moved under the air & sea simplifications;
- (j) the identification of fraudulent transit operations;
- (k) providing advice to regional business areas on the operation of transit procedures;
- (l) enquiries and verifications relating to goods moved under the NATO 302 procedure.

1.5.6 Customs Directorate

Customs Directorate provides the UK policy and operations framework for transit and Community status, including:

- Representing the UK at international meetings.
- Dealing with Parliamentary aspects of transit and Community status policy including ministerial briefing/correspondence and Parliamentary questions.
- Monitoring the implementation and effectiveness of policies.
- Liaising with and providing timely and relevant transit information to the trade and customs operational staff.

- Formulating/revising assurance/operational practices.
- Drafting and updating transit training material and guidance.

The roles and responsibilities of the officers at offices of departure, transit and destination are described in the Transit Manual Part IV.

1.6 New Computerised Transit System (NCTS) Introduction

The NCTS is mandatory for the majority of transit movements within EU and common transit countries. Paper transit documents are only accepted from private travellers (with goods in excess of allowances) and during NCTS fallback. See Section 3.1.

1.7 Retention of records

It is a legal requirement for economic operators to retain records of their customs activities for a minimum of four years for import and export purposes and a minimum of six years for VAT and excise purposes. Community status documentation must be retained for a minimum of two years. The information must be stored in such a way that Customs can easily be satisfied that all imports and exports, including intra-EU trade, are being correctly declared and accounted for.

1.8 Practical consequences concerning the closure of customs offices

1.8.1 Introduction

The closure of offices of departure/destination has practical consequences for economic operators and for national administrations. Customs Directorate recommends that local managers should consider the likely impact on trade and other customs offices in any decision to close an office or reduce its opening hours. In order to preserve the integrity of the Community/common transit procedure, notably concerning the discharge of transit operations and the inquiry procedure, and minimise the consequences, the European Commission has issued guidelines on the action that national customs authorities should take when a decision has been made to close an office.

1.8.2 For closed offices of destination

- Arrange for the transfer of work to the nearest operational office of destination.
- Arrange for the redirection of mail to that office.
- Display notices referring economic operators to the nearest office of destination.
- Instruct such offices to issue proof of the end of the procedure (i.e. a stamped copy of the TAD or fallback document) on request, to prevent the need to resort to the inquiry procedure.

1.8.3 For closed offices of departure

- Arrange for the transfer of work on undischarged movements to another operational office of departure. (Not applicable in the UK as this work is centralised at the CCTO).
- Arrange for the redirection of mail to another operational office of departure.
- Display notices referring economic operators to the nearest operational office of departure

1.8.4 List of authorized customs offices

All such closures must be notified as amendments to the "list of authorized customs offices for Community/common transit operations". In the UK these amendments must be notified to the CCTO to arrange for the Customs Office List (COL) database to be updated.

2. Status of goods - Transit Manual Part II refers

2.1 Identifying T1 goods

2.1.1 Temporary Admission relief goods

For goods re-exported via another Member State, use of the T1 procedure is optional.

Goods may travel under Temporary Admission relief arrangements where they remain under cover of the same Temporary Importation authorisation.

See Notice 200 for further information.

2.2 Use of Excise Movement and Control System (EMCS) to prove Community status when moved across third countries

The EMCS is an electronic data processing system which captures and processes information in respect of movements of Community goods under excise duty suspension within the European Union. It is used throughout the EU. EMCS replaces the paper Administrative Accompanying Document (AAD) and the W8 which is used for movements within the UK.

Under EMCS, a movement of excise goods between two tax warehouses or a tax warehouse in one Member State to a place in another Member State where the goods will leave the territory of the EU is documented by means of the electronic Administrative Document (eAD). This is electronically submitted by the consignor and validated by the Member State of dispatch.

However, if excise goods are moving under EMCS procedures to another tax warehouse or a place of exit from the territory of the EU via the territory of a Common Transit country, the goods must be placed into the T2 Transit procedure that is started at the frontier of that country.

When the goods re-enter the territory of the EU, the EMCS procedure is still valid and accompanies the goods to their destination

2.3 Whisky Export Refund Scheme (WERs)

In addition to the excise movement procedure, for exports of UK whisky a T5 must also be completed to facilitate a CAP refund. As the excise procedure applies only to movements within the EU, for exports to or via a non-EU Contracting Party, the common transit procedure may be used to facilitate the movement of the goods across the border between the EU and the common transit country.

This scenario is currently under review and more information will be provided when available.

For further information on the excise procedures, see Notice 197

2.4 Authorised Regular Shipping Service

An authorised regular shipping service is a service that carries goods in vessels that ply only between ports situated in the EU. It is not necessary to demonstrate the status of Community goods carried on an authorised regular service; however CT is required for any non-Community goods carried.

A shipping company who wishes to become authorised as a regular shipping service must apply to customs in the EU Member State where the shipping company is established. In the UK, applications must be made in writing to the CCTO who will send the shipping company an application form (C1349) to complete and return to the CCTO.

The CCTO will contact the customs authorities of the other EU Member States in which the nominated ports are situated, requesting their agreement to the authorisation. If Customs are satisfied with the application and if no objections are received from the other Member States within 45 days (15 days with effect from 1 March 2014), the CCTO will grant the authorisation as a regular shipping service. The CCTO will notify the corresponding authorities in the other EU Member States concerned of the authorisation.

If the application is refused, the CCTO will inform the applicant of the reason(s) in writing.

2.5 Free zones

When a vessel has called at an EU free zone, the status of any Community goods on board will need to be proved when they are unloaded at any subsequent EU ports unless the ship's papers show that the vessel came from a part of the port outside the free zone. Please note that there are no Free Zones in the UK. See Customs Information Paper (10) 48 and the ['Exports'](#) section of the European Commission website.

2.6 Authentication of Community status documents

2.6.1 Standard procedure

A Community status (T2L/T2LF) document can be made on Copy 4 of the SAD or on commercial documentation, such as an invoice, transport document or shipping company's manifest. Part II Section 4 of the Transit Manual gives further information. Information on how to complete the SAD for Community status purposes can be found in Volume 3, Part 6.1 of the UK Integrated Tariff.

If you are not an authorised consignor for Community status purposes and need a Community status document to be authenticated by UK Customs you should send it, together with supporting evidence and a stamped self-addressed envelope, to the National Clearance Hub (NCH) at the following address:

The National Clearance Hub
Ralli Quays
3 Stanley Street
Salford
M60 9HL
Tel: 0845 001 0085 (Main Office)

Before authentication the NCH will check that:

The destination is allowable.	A T2L/T2LF document is only valid in EU Member States and common transit countries.
Any alterations have been properly made.	Alterations must be crossed out, not overwritten. They must be initialled by either the signatory or exceptionally by a representative. There must be evidence available that the amendment corrects an obvious mistake and does not affect liability or any special EU controls.
The status indicator in Box 1 is correct.	<p>The goods must be in free circulation. Customs will only authenticate the document if there is no doubt as to the status.</p> <p>It should not be automatically assumed that, because finished products originate/are manufactured in the EU, they are in free circulation. Many goods manufactured in the EU for export to third countries will contain IPR parts or constituents. Examples include goods as diverse as motorcars and toothpaste. In cases of doubt we may call for commercial evidence or examine the goods.</p>
The declaration is completed	Completion of boxes 1, 2, 3, 4, 5, 14, 31, 32,

correctly	33, 35, 38, 40, 44 and 54 of the T2L/T2LF is compulsory.
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2.6.2 Lost T2L/T2LF document

If you lose a T2L/T2LF document, the NCH may issue a duplicate. A photocopy or fax of the original document is not acceptable. You must apply in writing to the NCH, Salford, and provide the following information:

- the reason for the loss of the original document;
- the identity of the original document i.e. serial number;
- an undertaking to surrender the original if found;
- a copy of the commercial invoice to provide evidence of Community status;
- a completed duplicate T2L/T2LF document.

The NCH will compare the duplicated copy of the T2L/T2LF with the NCH copy of the original document. If the NCH is satisfied that the loss is genuine and that the duplicate matches the copy of the original, it will authenticate the replacement and mark it 'DUPLICATE' in red in box 'C'. If the NCH is not satisfied with the reason for the loss or if the duplicate does not match the original document it may refuse the application.

2.6.3 Retroactive Community status documents

A retroactive Community status document cannot be issued without a valid reason. Where, in exceptional circumstances, you need a Community status document after your goods have been despatched or to replace a transit declaration with one or more new Community status documents, you must provide the following information (in writing) to the NCH, Salford:

- The reasons why the document was not raised at the time of despatch, or the details and/or a copy of the transit declaration issued in error for the same goods;
- A copy of the original pre-shipment declaration or pre-entry; or if a copy of this document is not available, full details of the consignment, date and place of shipment and the name of the vessel.

The NCH will liaise with the office of departure from where the goods were originally despatched.

Where authority to issue a retroactive Community status document is given, the NCH will mark the document in red 'ISSUED RETROACTIVELY'.

Where a transit declaration is drawn up in error and subsequently replaced by a Community status document, you must make reference to the original transit declaration on the Community status document . Any special notations on the transit declaration must be reproduced on the Community status document.

Where you request a retroactive Community status document for goods in excess of the quantity declared on the original CT declaration, you must complete a Form C81 ((available from the HMRC [website](#)) requesting amendment to the original entry. The form should be returned to the following address:

HM Revenue & Customs - Trade Statistics
3rd Floor Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA E-mail uktradeinfo@hmrc.gsi.gov.uk

2.7 Community status documents – authorised consignor procedure

Authorised consignors may authenticate their own Community status documents, using a special metal stamp, or they may use a pre-authenticated T2L/T2LF or a T2L/T2LF pre-printed with the imprint of the special metal stamp. If you wish to become an authorised consignor for Community status purposes, you should contact the CCTO or download an application form from the HMRC section of the GOV.UK website www.gov.uk

The full conditions of your approval will be documented in your authorisation letter.

2.8 Postal traffic

CT procedures do not generally apply to postal packages if they are accompanied by the prescribed postal documents.

Goods posted in the UK for delivery to another EU Member State will be treated as if they are in free circulation unless the package or accompanying documents bear a yellow label (UK Form C1130 if posted to another EU Member State, UK form C1130ST if posted to one of the special territories).

If a package bearing a yellow label also contains Community goods, a Community status document will be required for those goods. The Community status document may be sent separately to the addressee for production to Customs or enclosed in the package. In the latter case, the sender must clearly mark the exterior of the package to show that T2L documents are enclosed.

This procedure does not apply to goods sent by post to a common transit country. However, any Community goods sent to these countries for onward transmission to another EU Member State must be covered by a Community status document.

Where a consignment from a country outside the EU or from a special territory is diverted in the UK, either on receipt by the postal authority or after delivery, a yellow label must be attached if the package is re-addressed to a destination in the EU or one of the special territories.

2.9 T2M Status Documents for fish caught in Community waters

Form T2M is used to prove the Community status of products of sea fishing caught by EU fishing vessels.

Form T2M (UK Form No. C1135) is printed as a two-part set, made up of an original and a copy. It is produced in pads containing ten sets of the form. The completed form must be presented to Customs at the EU port where the catch is landed to prove that the fish were caught in EU waters and are in free circulation. However, UK Customs may waive the requirement for a T2M for catches landed in the UK by the EU fishing vessel which made the catch, provided:

- Customs have no doubt about the origin of the products and/or the catch
- the Master of the vessel has submitted the necessary landing declaration as required by Article 8(1) of Council Regulation (EEC) 2847/93.

To obtain blank T2M forms, fishing vessel owners must request supplies from the National Clearance Hub (NCH) in Salford Tel on 0845 001 0085.

On receipt of the blank forms the vessel owner or his/her representative must complete boxes 1, 2 and 3 of each form in the pad as follows:

Box 1 Owner's full name and address (a rubber stamp can be used)
Box 2 Name of vessel Registered Fishing or Official number Base port Nationality of vessel
Box 3 Signature and date

Following completion of boxes 1, 2 and 3 the forms should then be returned to the NCH at the following address:

HM Revenue & Customs
National Clearance Hub
Ralli Quays
3 Stanley St
Salford M60 9HL

There is no public counter facility at Salford therefore these documents will need to be sent by post. Processing will be carried out from Monday to Friday during normal office hours.

The National Clearance Hub (NCH) will then complete and stamp box B of the T2M forms. The NCH will also stamp Box A on behalf of the Registry of Shipping and Seamen. The NCH will then return the forms to the vessel owner/representative.

Vessel owners need to be aware that it may take up to two working days for the NCH to issue the blank T2M forms and a further three working days for them to return the authenticated forms. The owner/representative will therefore need to ensure that they order the forms in sufficient time.

These procedures affect only fishing vessels registered in the UK. Local arrangements apply in respect of vessels registered in the Isle of Man and the Channel Islands.

2.10 Indirect exports using a non-regular shipping service

The European Commission has issued advice that where goods declared for export are then loaded onto a ship which is not part of an authorised regular shipping service, the export and exit of the goods is certified at that point because the goods are deemed to have left the customs territory of the EU. If the goods are then landed in another EU member state they are regarded as non-Community goods and are in temporary storage. Any onward transport overland to the point of exit from the EU must take place under the external transit procedure.

An example to illustrate this point could be goods exported from the UK to Russia via Finland:

Goods are placed under the Export procedure in the UK. Goods are then loaded onto a non-regular shipping service in Hull and travel to Helsinki, Finland, where they are unloaded from the vessel for onward travel by road to the Finnish/Russian border where they physically exit the customs territory of the Community.

The export declaration is submitted in the UK with the Exit Summary Declaration (EXS) data, where it is treated as a direct export. Hull is regarded as the office of Export and Exit. No EAD is generated because the Export procedure is completed when the goods leave the UK.

Where the goods are put into temporary storage in Helsinki, they are removed from temporary storage by declaring them to the external Community transit procedure to

get the goods to the Russian border or under TIR to move the goods to an inland destination in Russia

If the goods have been in temporary storage for more than 14 days, the EXS data will need to be re-submitted either separately or in a combined NCTS declaration. If the goods have been in temporary storage for less than 14 days, no further EXS data will be required.

If the goods are not placed under temporary storage in Helsinki, the external Community Transit or TIR procedure must be started immediately to move the goods on to Russia.

3. Community/common transit (CT)

3.1 New Computerised Transit System (NCTS)

3.1.1 NCTS: General

Each national administration has developed its own NCTS processing system, according to centrally defined architecture, and these systems are connected, through a central domain in Brussels, to all other Member States and common transit countries. The UK, like many other participating countries, uses the Minimal Common Core (MCC) software developed by the European Commission, which provides all the basic data capture and messaging functionality for effective connection to the European network.

The NCTS is a separate system from CHIEF therefore separate declarations for transit are required.

3.1.2 NCTS access channels

To submit CT declarations, the principal or his representative must have access to a computer and an Internet connection.

In the UK there are three access channels to the NCTS:

- Email via Electronic Data Capture System (EDCS) channel;
- HM Revenue & Customs NCTS Web channel;
- NCTS XML (Extensible Mark-up Language) channel.

3.1.3 E-Mail via EDCS

To use the email service, you must be able to make declarations to the NCTS by Electronic Data Interchange (EDI) and to exchange the necessary messages with the system. You will also need specialist software to construct and translate the messages that the NCTS requires. The email channel can process up to 999 items per declaration.

3.1.4 HM Revenue and Customs NCTS Web Channel

To use the Web channel, you will need a UK Economic Operator Registration and Identification number (EORI) and a UK postcode. You will then need to register for a Government Gateway account and enrol for the online service. The Web channel can process up to 99 items per declaration.

3.1.5 NCTS XML (Extensible Mark-Up Language) channel

To use the XML channel, you will need to register for a Government Gateway account and purchase or develop your own XML wrapping tool for delivery of messages direct from your organisation. Alternatively, you can use a service provider that will perform the XML wrapping on your behalf. For further information on the XML service visit www.gov.uk → hmrc → import and export → Community/common transit and Transports Internationaux Routiers (TIR) → General Information → NCTS online XML route.

3.1.6 Confirmation of Authorised Consignees

The 'Confirmation of Authorised Consignee' facility allows the NCTS 'Live Service' Helpdesk to electronically request confirmation from a CT office in the Member State/country of destination that a trade entity is authorised, at that office, to receive goods under the authorised consignee simplified CT procedure. If you wish to use this facility contact the NCTS 'Live Service' Helpdesk via E-Mail. The Helpdesk will pursue the enquiry electronically on the NCTS and reply to you via E-Mail.

You must provide the Helpdesk with the following information for the confirmation enquiry to be made:

- Your EORI number;
- Your name and address;
- The office code of the CT office of destination to which the authorised consignee is linked.

For details on how to contact the Helpdesk, please see link below:

[NCTS trade enquiries - contact information](#) on the HMRC website.

3.1.7 Information Exchange (IE) Messages

Principals or their representatives cannot interface directly with the NCTS to input or amend data or to access records and standing data, but can exchange defined structured messages with the system. These messages are known as Information Exchange (IE) messages and are specifically identified by number, e.g. the electronic transit declaration is IE015. To enable processing it is essential that principals keep their standing data up to date and promptly advise the CCTO of any changes. Please note that changes to standing data take 3 working days to implement.

Details of the structure of the various IE messages that will be exchanged with the NCTS are set out in the UK NCTS Technical Interface Specifications (TIS). For the TIS, and information on trade testing, see the HMRC website (www.gov.uk) for details (under the Import & Export, Community/Common Transit and Transports Internationaux Routiers (TIR)/'Technical information' section.

A list of the main IE messages is shown below.

IE ref	Function	
IE007	Arrival notification	Sent by trader at destination to the office of destination.
IE008	Arrival notification rejection	Sent by the office of destination to the trade when an incorrect/invalid arrival notification (IE007) message is entered to the NCTS.
IE009	Cancellation decision	Sent by the office of departure to the trader advising that action has been taken on a cancellation request. Either accepted/rejected.
IE014	Declaration cancellation request	Message sent by the trader to the office of departure to request a cancellation of a transit declaration.
IE015	Declaration data	From the trader to the office of departure.
IE016	Declaration rejected	From the office of departure to the trader to advise that the IE015 has been rejected.
IE025	Goods release notification	From the office of destination to the trader at destination when goods are released.
IE028	Acceptance notification MRN allocated	From office of departure to trader after trader submits valid IE015 (declaration data) and it is accepted by MCC. Also sent on acceptance of 'submitted' declaration.
IE029	Release for transit	From office of departure to trader
IE043	Unloading permission	From office of destination to trader after receipt of IE007 for Simplified Procedures (authorised consignees) only
IE044	Unloading remarks	From authorised consignee to office of destination
IE045	Write-off notification	From office of departure/write-off to trader/Principal at departure
IE051	No release for transit	From office of departure to trader to advise that goods under control are not satisfactory for a transit movement
IE055	Guarantee not valid	From office of departure to trader
IE058	Unloading remarks rejection	From office of destination to the trader to advise that unloading remarks have been incorrectly completed or are unacceptable
IE060	Control decision notification	From office of departure to trader to advise that goods are under control

3.1.8 NCTS Reference Numbers (LRN and MRN)

3.1.8.1 Local Reference Number (LRN)

The LRN is the declarant's own unique number and must be included on the transit declaration. The format of the LRN is left to the declarant's discretion, provided that it is unique and that it does not exceed 22 characters.

It is especially important to know the LRN when a transit declaration is pre-lodged because this is the only reference that the officer can use to recall the declaration on the NCTS. An MRN (see below) is not issued at the pre-lodgement stage.

3.1.8.2 Movement Reference Number (MRN)

A key element of the NCTS is the Movement Reference Number (MRN), a unique number generated by the system upon its acceptance of a correct declaration.

The MRN has a defined structure of 18 characters; e.g. 09GB00005112345678. The first two indicate the year (2009), the second two the country of the office of departure (GB), the next six the code for the office of departure (000051 = Felixstowe) and the last eight (12345678) consist of the unique identifier for the movement and a check digit.

Following release of a movement at departure, principals may wish to track the status of their MRN(s) (currently only for international movements) using the European Commission website – see link below:

http://ec.europa.eu/taxation_customs/dds2/tra/transit_home.jsp?Lang=en

3.1.9 Transit Accompanying Document (TAD) and List of Items (LoI)

The Transit Accompanying Document (TAD) must bear the MRN printed both in numerical format and as a barcode. This is a legal requirement and the barcode is intended to allow automatic processing, by use of barcode readers, at busy CT offices, most notably on borders between the EU and common transit countries e.g. France/Switzerland.

The LoI is required for declarations with more than one item. The NCTS Web route only allows up to 99 items to be entered per declaration. Up to 999 items can be entered per declaration via the NCTS EDCS route.

Declarants who wish to print the TAD at their own premises, will need to have a printer properly configured to print the TAD and LoI in the legally required format and including the printed barcode.

The TAD will be automatically authenticated by the NCTS and will not need to be further stamped or authenticated. The authentication will include the identity of any seals affixed, the itinerary prescribed by the office of departure, and the time limit for presenting the goods and the TAD at the office of destination, i.e. the 'Expected Arrival Date'.

The IE029 message will prompt the printing of the TAD/List of Items. It is this message that permits the release for transit and contains all the necessary data for printing the TAD.

Full details and instructions as to the form and printing of the TAD and Lol, including the barcode, are set out in the UK NCTS Technical Interface Specification (TIS)-see the HMRC section of the GOV.UK website (www.gov.uk) for details (under the Import & Export, Community/Common Transit and Transports Internationaux Routiers (TIR)/'Technical information'.

3.2 Guarantees (Transit Manual Part III refers)

3.2.1 Types of CT guarantee and the NCTS Guarantee Management System (GMS)

The GMS is used by National Administrations to manage the following guarantee types:

- 0 (Waiver)
- 1 (Comprehensive)
- 2 (Individual Guarantee by a guarantor)
- 4 (Individual Guarantee Vouchers) and
- 9 (Individual Guarantee with Multiple Usage)

Three days in advance of the electronic declaration being submitted to the NCTS, the trader must:

- For guarantee types 2 and 9 fax the guarantee to the CCTO;
- For guarantee types 2, 4 and 9, e-mail the access code(s) to the CCTO.

If the trader is 'unknown' to HMRC (not currently recognised as trading in the UK), the recording of guarantees on the GMS will take approximately 4 working days (to allow for the capture and download of trader details).

The CCTO will record the guarantee details on the GMS and, once recorded, send an e-mail to the trader with the Guarantee Reference Number(s) which, together with the access code(s), will be input to the electronic declaration.

Note 1: The security of the access code is the principal's responsibility. If you consider that one or more of your access codes have been compromised you must contact the CCTO to change it.

Note 2: Type 9 guarantees are not currently in use. Holders of type 0 or 1 guarantees may request to use type 9 only if and when the EU Member States and common transit countries agree to temporarily prohibit the use of comprehensive guarantees (including waivers) for goods identified as being subject to large scale fraud. This measure is provided for in Article 94(7) of Regulation 2913/92 and Annex 47a of Regulation 2454/93/Article 54(7) and Annex IV of Appendix I to the Common Transit Convention.

3.2.2 List of approved guarantors

Principals intending to use guarantee types 1 or 2 can find a list of approved guarantors/financial institutions at:

<http://www.fsa.gov.uk/Pages/Library/index.shtml>

Customs officers can find the same list in the [Debt Management and Banking](#) pages of the Departmental Intranet site.

3.2.3 Default values for CT guarantees entered to the NCTS

When a UK guarantee (type 0, 1, 2, 4 or 9) is used to secure duties/taxes on a transit movement, declarants **must not** enter a value as a default guarantee liability will be automatically entered. For guarantee type 2, the office of departure will overwrite the default liability with the actual liability in £ sterling and, for guarantee type 4, the office of departure will overwrite the default amount with the actual liability of €7000 for each voucher.

For guarantee types 3 (Individual guarantee in cash), 5 (Guarantee waiver, secured amount does not exceed EUR 500), 6 (Guarantee not required), 7 (Guarantee not required between the office of departure and the office of transit), 8 (Guarantee not required for certain public bodies) and A (Guarantee waiver by agreement), an amount will be entered by the office of departure.

For foreign guarantees, the declarant is encouraged to enter the actual liability amount. If this isn't completed, a £ sterling equivalent will be automatically input by the system. For guarantee type 4, the office of departure will overwrite the default amount with the actual liability of €7000 for each voucher.

Note: The use of default values is UK policy and will not necessarily be applied in other EU Member States or common transit countries. The use of default values in the UK does not change the principal's responsibilities in relation to his guarantee management or affect the recovery of the actual duties due on the goods in the event of any irregularities or subsequent action taken by HMRC or Border Force.

3.2.4 Failure of guarantee on GMS

If the guarantee fails GMS checks, a 'Guarantee not valid' message (IE055) will be issued. Upon receipt of this message, the declarant must request cancellation and submit a new declaration with a new LRN. Before submitting the new declaration, it is essential that the error (as recorded on the IE055 message) is resolved to avoid the same problem recurring.

If the office of departure 'rejects' the guarantee (e.g. the guarantee type is not appropriate for the goods) then this is input to the system and the declarant will be advised off-line e.g. by phone or fax. Upon receipt of off-line advice the declarant must submit a new declaration with a new LRN. The office of departure will perform the cancellation. Prior to submitting the new declaration it is essential that the information advised by the office of departure is acted upon. Failure to do so may result in the same problem recurring e.g. the guarantee needs to be recorded on GMS. The cancellation request must make reference to the new LRN or, if the new declaration has already been submitted and accepted by the NCTS, the new MRN.

3.2.5 Registering of guarantee

If registering of the guarantee is successful, the transit movement will be released and the declarant will receive the 'Release for Transit' message, IE029. However, release by the NCTS will be dependent on completion of the Inland Transport Mode (box 26) / Identity of means of transport at departure (box 18). Failure to enter the means of transport will either result in the office of departure seeking details to enable release or the declaration being rejected:

- If both boxes 18 and 26 are left blank (completion of box 18 alone is sufficient to enable release by Customs) Customs will request the necessary information before the movement can be released; or
- Other than for modes 5 and 7 (which do not require an identity to be entered), if the mode is entered but the identity is left blank the declaration will be rejected and will need to be resubmitted.

3.2.6 Comprehensive guarantee type 1/guarantee waiver type 0

Principals may apply to the CCTO National Simplifications Team in Harwich:

HM Revenue & Customs
National Simplifications Team
CCTO
Custom House
Main Road
Harwich
Essex
CO12 3PG

Tel: 01255 244754 or 01255 244735

Email – CCTO.OD

The CCTO will send an application form ([C1343](#)) for the principal to complete and return, together with all relevant supporting evidence. If an application is rejected the CCTO will send a pre-notification Right to be Heard letter to the applicant stating the reason(s) why (see Section 10).

If an application is approved, the CCTO will send a letter to the applicant laying down the conditions under which the applicant will be authorised to use the comprehensive guarantee. The applicant will be required to sign a declaration confirming understanding and acceptance of the conditions of the authorisation. Upon receipt of the signed declaration the CCTO will issue the applicant with an authorisation and guarantee certificate(s) or guarantee waiver certificate(s) (required for NCTS fallback). The CCTO will also enter the details of the guarantee or guarantee waiver including the reference amount onto the NCTS Guarantee Management System (GMS) and issue the applicant (principal) with a Guarantee Reference Number (GRN) and access code. The principal must use both the GRN and the access code on the NCTS declaration.

3.2.7 Goods involving higher risk of fraud (Annex 44c goods)

Part III, Section 4 of the Transit Manual advises that the level of reduction of the comprehensive guarantee available is dependent on whether the goods involved are listed in Annex 44c to the Customs Code Implementing Provisions/Annex I, Appendix I of the Convention. The current list of goods is shown in Annex 1 to this Supplement.

3.2.8 Individual guarantee by a guarantor

Principals wishing to use an individual guarantee by a guarantor must contact the intended office of departure well in advance of the start of the transit procedure. This will provide Customs with the opportunity to approve the principal's chosen guarantor and to ensure that the guarantee amount is adequate prior to commencement of the operation.

The principal must provide the guarantor with full details of the type and quantity of the goods to be moved and the offices of departure and destination to be used. The guarantor will then complete a guarantee undertaking and return it to the principal.

The guarantee must not be dated more than 28 days earlier than the date of authentication of the CT declaration.

The principal must present the guarantee undertaking to the office of departure. Customs will complete Part II and return it to the principal. For NCTS purposes, the principal must fax a copy of the authenticated individual guarantee to the CCTO - on 01255 244792 - three working days before the electronic declaration is submitted. At the same time the principal must email the access code to the CCTO so that the details of the guarantee can be entered on the Guarantee Management System (GMS). Once this information is entered, the CCTO will send a Guarantee Reference Number (GRN) to the principal by email. The principal must enter both the GRN and the access code on the electronic declaration. The principal must also lodge the guarantee with the office of departure before submitting the CT declaration.

If the principal holds a foreign guarantee, or is not recognised as a UK trader, the principal must fax the guarantee to the CCTO four working days before the declaration is submitted. This will allow time for the principal's details to be captured and downloaded onto the UK NCTS system.

Under NCTS fallback the principal must present the guarantee with the goods and copies 1, 4 and 5 of the SAD at the office of departure. Customs will check that the guarantee is valid and sufficient to cover the duties and other charges on the goods. Customs will complete Part II of the undertaking and send it with a copy of the authenticated declaration to the CCTO.

The CCTO will retain the undertaking until the movement is discharged. It will then be returned to the guarantor.

3.2.9 Individual guarantee in the form of a cash deposit (NCTS guarantee type 3)

Offices of departure in the UK may have differing arrangements for accepting cash deposits or may not have the facilities to accept cash deposits. Principals are therefore advised to contact the office of departure in advance to confirm the arrangements.

Where the office of departure accepts a cash deposit it will check that the amount is adequate to cover the potential duties and other charges liable on the goods being moved. The office of departure will make appropriate arrangements with the Salford Accounting Centre. When completed, a receipt for the guarantee amount can be issued upon request. When the movement is ended, the cash deposit will be returned to the principal.

In the UK, the currency to be deposited must be in £ sterling.

3.2.10 Individual guarantee in the form of vouchers

If a principal requires an individual guarantee in the form of vouchers he may apply to any of the authorised guarantors listed in the Transit Manual Part III, Annex 8.1. Note however that this list is subject to change and, at the time of publication of this supplement, there are currently no authorised guarantors in the UK for this type of guarantee.

Vouchers are issued in an electronic format but paper vouchers are also available for use under NCTS fallback. The principal must present the paper guarantee vouchers with the goods at the office of departure. Customs will check that the vouchers are valid and sufficient to cover the duties and other charges on the movement. At UK offices of departure, once Customs have authenticated the CT declaration, they will send the vouchers with a copy of the transit declaration to the CCTO.

The CCTO will retain the vouchers for three years after the movement is discharged, after which they will be destroyed.

The guarantee amount is entered in £ sterling on the UK NCTS. Therefore where individual guarantee vouchers, which have a face value of €7000, are used Customs will use the exchange rate applicable on the day that the CT declaration is submitted. For this purpose the exchange rate used is that in force on the first working day of October, which is applicable from 1st January the following year. The applicable exchange rates are published annually by the European Commission and Customs Directorate/CCTO will circulate these to UK offices of departure. The NCTS is also updated with the relevant exchange rate each year.

3.2.11 Individual guarantee with multiple usage (type 9)

The EU Regulations provide for the temporary prohibition of the comprehensive guarantee/ guarantee waiver for goods identified as being subject to large scale fraud. Under these circumstances, a comprehensive guarantee holder may apply to the CCTO to use a multiple usage individual guarantee. The guarantee will cover only the goods affected by the prohibition and must contain a reference to Annex 47a of Regulation 2454/93. The guarantee may be used to cover several operations provided that the sum of the amounts involved does not exceed the amount of the guarantee. Each time a movement is discharged, the amount involved is released and may be used for another transit operation.

NCTS guarantee procedures regarding the faxing of a copy of the guarantee to the CCTO etc. - as detailed above - also apply to this guarantee type.

3.2.12 Release of the guarantee

The process of releasing a principal's guarantee liability amount cannot start until the goods have been arrived at destination. The goods and TAD must be presented to end the movement on the NCTS. If the principal holds a comprehensive guarantee the GMS will re-credit the guarantee with the liability amount.

3.3 Presentation of the goods

Normal procedure traders must present their goods to UK Customs at an approved place linked to the office of departure or destination to start or end a transit movement.

A list of UK Customs-approved places is shown in the UK Integrated Tariff, Volume 3 Appendix C 2B.

If a trader is an authorised consignor or consignee, they must make the goods available to customs at one of the authorised locations specified in their authorisation.

3.4 Formalities at office of departure

3.4.1 Where Transit follows an Export

This scenario is currently under review and text will be provided when available.

3.4.2 Use of the Transit Procedures when goods under Customs Procedures with Economic Impact (CPEI) are declared for Export.

Where CPEI goods are declared for export, in some circumstances they may have to move to the office of exit under a transit procedure.

For further information see the appropriate notices on CPEI and NES.

Inward Processing (IP) ([Notices 221](#) and [221A](#)); Temporary Admission (TA) ([Notice 200](#)); Processing under Customs Control (PCC) ([Notice 237](#)); Customs Warehousing ([Notice 232](#)); Outward Processing Relief (OPR) ([Notice 235](#)); End Use ([Notice 780](#)); NES ([Notice 275](#)).

3.4.3 Use of the Community transit procedure for the movement of non-EU light aircraft into the EU

It is a common occurrence for civil light aircraft from third countries to land in the UK, as the first point of entry into the EU, for refuelling prior to landing in another EU Member State either to be declared for free circulation or for further refuelling before exiting the EU. In these circumstances the aircraft are treated as “imported goods” and not a means of transport.

If the aircraft is not being entered for importation into the UK i.e. to free circulation, Temporary Admission or to another Customs procedure or Customs-approved treatment or use in the UK, it may refuel for a limited period of time without making an import entry into the UK. However, if this is the case, a Community Transit declaration is required to suspend the payment of import duties and other charges (e.g. VAT) until the aircraft arrives at the final office of destination in the EU.

3.4.4 Pre-Lodgement of Community transit declaration

A Principal may submit an electronic declaration to the NCTS prior to presentation of the goods at the office of departure / designated sub place.

To enter a pre-lodged declaration, the declarant will submit an electronic declaration (IE015 message) to the NCTS, which indicates that the goods are not yet available for control. This is by input of the term ‘Pre-Lodgement’ in the ‘Agreed Location Code’ field of the IE015, and/or information relating to the location of the goods in the ‘Agreed Location of Goods’ field. N.B. Use of the ‘Agreed Location of Goods’ field is subject to prior arrangement with the office of departure.

The NCTS will not 'accept' the declaration but will hold it in a 'Submitted' state. The declaration cannot be accepted until the goods have been properly presented at the Office of Departure (or designated sub-place).

On presentation of the goods at the office of departure the presenter will need to provide the Local Reference Number (LRN) included in the declaration submitted. The office of departure will access the declaration on the NCTS by reference to the LRN and either accept or reject the declaration.

3.4.5 Completion of box 18 (identity and nationality of means of transport)

Transit principals are reminded that Annex 37 of Commission Regulation 2454/93 specifies that box 18 is a mandatory field on the transit declaration. Principals must enter in Box 18 the identity of the means of transport on which the goods are directly loaded at the time of the transit formalities, followed by the nationality of the means of transport (or that of the vehicle propelling the others if there are several means of transport) in the form of the relevant code from Annex 38 of Regulation 2454/93. If a tractor and trailer are used, the registration numbers of both the tractor and trailer must be entered together with the nationality of the tractor.

Depending on the means of transport concerned, the following details concerning identity must be entered:

Means of transport	Method of identification
Sea and inland waterway transport	Name of vessel
Air transport	Number and date of flight (where there is no flight number, enter the aircraft's registration number)
Road transport	Vehicle registration number
Rail transport	Wagon number

The nationality of the means of transport must be entered using the relevant ISO country code.

Principals making a transit declaration are reminded that they have a legal obligation to provide all the required information. Declarations that have not been completed correctly may be rejected by Customs at the office of departure. Repeated failures to provide the correct information may be considered a compliance issue and further action may be taken such as the issue of a warning letter or civil penalty.

Box 18 does not need to be completed in the case of postal consignments or carriage by fixed transport installations such as oil pipelines.

Where goods are carried in containers that are to be transported by road vehicles it is recognised that, at container terminals with high levels of traffic, the identity of the road means of transport to be used is not always known at the time the transit declaration is made. Annex 37 therefore allows the customs authorities to authorise principals to leave box 18 blank where the goods are carried in containers and moved by road, on condition that the container number is entered in box 31 of the NCTS declaration and the identity and nationality of the means of transport will be subsequently entered in box 55 of the Transit Accompanying Document (TAD). UK principals who wish to take advantage of this concession can apply in writing to National Simplifications Team at the address below with the following information:

- the circumstances in which the concession is required
- a list of the offices of departure concerned
- the arrangements the applicant will put into place to ensure the identity and nationality of the means of transport are entered in box 55 of the TAD prior to presentation at the office of destination

No other exceptions to the completion of box 18 are allowed.

3.4.6 NCTS Normal Procedure (office of departure)

Any principal may use the NCTS ‘normal’ procedure. Under the normal procedure the goods must be present at the office of departure or at a sub-place i.e. a designated place approved and controlled by that office. Any sub-place must be specified in the declaration by using the sub-place code.

The principal may make the declaration to the NCTS or may request a representative to do so on his/her behalf. The party communicating with the NCTS will be the declarant and all NCTS responses will be sent to the declarant, i.e. not to the principal unless he/she is also the declarant.

The declaration must include the declarant’s own unique number relating to the consignment, the Local Reference Number (LRN). This must be unique for every declaration although it can be re-used if it has previously been entered to an NCTS declaration that has been ‘rejected’.

3.4.6.1 Examination of the CT guarantee details

Customs must ensure that the principal has provided evidence of adequate guarantee cover.

The table below shows the checks that Customs/the NCTS will make, prior to release of the goods.

1	If the principal holds a	If the guarantee is	If the guarantee is not
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	comprehensive guarantee or a guarantee waiver Customs/the NCTS will check that it is:	satisfactory, Customs will:	satisfactory Customs may:
	<ul style="list-style-type: none"> • Authentic; • Valid for the countries concerned; • Appropriate for the type of goods being moved (high risk goods must not be moved under a guarantee waiver or a guarantee marked 'limited validity' unless they are below the minimum quantity); • Adequate to cover all the customs duty and other charges on the goods. 	<ul style="list-style-type: none"> • Authorised the removal of the goods 	<ul style="list-style-type: none"> • Refuse to allow the operation to start; • Call for an additional guarantee/ cash deposit to cover any deficit; • Record the information and report the facts to the CCTO.
2	If guarantee voucher(s) are used Customs/the NCTS will complete the checks at 1 and also check that:		
	<ul style="list-style-type: none"> • If paper voucher(s) are used, the name of the guarantee office and the date of acceptance of the undertaking is stated on the voucher(s); • The movement is starting within the specified period (the last day on which it can be used is noted on the NCTS or on the paper voucher); • The correct number of vouchers is used/presented to cover the liability on the goods. 	<ul style="list-style-type: none"> • Note any paper voucher(s) with the registration number of the NCTS fallback declaration; • Authenticate any paper voucher(s); • Authorised the removal of the goods; • Send any paper voucher(s) to the CCTO. 	<ul style="list-style-type: none"> • Refuse to allow the movement to commence; • Call for an additional guarantee/ cash deposit to cover any deficit; • Record the information and report the facts to the CCTO.
3	If an individual guarantee by a guarantor is presented Customs/the NCTS will complete the checks at 1 and also check that:		

	<p>Only one guarantor is named on the guarantee;</p> <p>The guarantor is approved by HMRC;</p> <p>The guarantor has designated an address/agent for service in each country named in the guarantee;</p> <p>The guarantee is not dated more than 28 days prior to the commencement of the movement.</p>	<ul style="list-style-type: none"> • Authenticate the guarantee; • Authorise the removal of the goods; • Send the guarantee to the CCTO. 	<ul style="list-style-type: none"> • Refuse to allow the movement to commence; • Refuse to accept the guarantee; • Return the guarantee to the principal for amendment and re-submission; • Record the information and report the facts to the CCTO.
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3.4.6.2 Control at office of departure

After completing its checks on the declaration and the guarantee, customs at the office of departure will decide if they wish to 'control' the goods. Customs may carry out examinations to verify the description, quantity and status of the goods on the basis of local risk assessment.

If the office of departure decides to control, e.g. physical examination of the goods or vehicle or request for additional information, Customs will key 'Control' to the NCTS. This will stop the automatic release timer (for authorised consignors) and the declaration will pass to the 'Under Control' state on the NCTS. Customs will perform the necessary controls.

If the control checks reveal serious irregularities, the Control Results will be recorded as 'Unsatisfactory'. As a result, the transit movement will not progress any further. The declaration will pass to the 'Not Released for Transit' state within the system and the declarant will receive a 'Not Released for Transit' message, IE051. This effectively cancels the transit movement.

If customs checks reveal minor irregularities which can be resolved, Customs will clarify the irregularity with the declarant but, as there is no facility to amend the declaration, the declarant will be required to input a new declaration with a new LRN and arrange for Customs to cancel the original declaration.

3.4.6.3 Setting of the time limit

Under Article 356 of Commission Regulation 2454/93, customs at the office of departure shall set a time limit within which the goods must be presented to customs at the office of destination.

In setting the time limit the office of departure will take into account the itinerary, any current transport or other legislation and, where appropriate, the details communicated by the principal. The time limit has to realistically reflect the length of time needed only to move the goods from the office of departure to the declared

office of destination. It will not, for example, include any period for the unloading or storage of the goods as these practices are not allowed whilst the goods are under the transit procedure (the goods must be presented to an office of destination or delivered to an authorised consignee to end the transit procedure before any unloading takes place).

Under Article 96 of the EU Customs Code (Regulation 2913/92) the principal to a CT movement is responsible for ensuring that the goods are produced intact at the office of destination by the prescribed time limit. This also applies to any carrier or recipient of the goods who accepts the goods knowing that they are moving under Community/common transit. Where goods are repeatedly presented at the office of destination after the time limit has expired the principal, carrier or recipient may receive a warning letter or civil penalty for non-compliance. CT principals are therefore advised to ensure that they provide the office of departure with all appropriate information in order that an adequate time limit is prescribed for the movement in question.

For authorised consignors the time limits will be set according to the conditions laid down in their authorisation.

Further information on the setting of time limits can be found in Part IV, Chapter 2, Section 3.7 of the Transit Manual.

3.4.6.4 Process and clearance of transit movement on the NCTS

Following the satisfactory completion of any controls (or where the office of departure decides not to control), the office of departure will release the goods for transit (IE029 message, Release for Transit). At this stage, the TAD and Lol will be automatically authenticated by the NCTS and can be printed at the declarant's choice, either:

- At the office of departure; or
- At the declarant's premises, provided that the declarant is so approved and has a printer properly configured to print the TAD and Lol, in the legally required format including the printed barcode.

The IE029 message permits the release for transit and it is this message alone, not any earlier message, that contains all the necessary data for printing the TAD/Lol.

Authentication of the TAD will include the time limit set by the office of departure for the transit movement to be completed.

3.4.7 NCTS simplified procedure at the Office of departure (Authorised consignor)

Authorised consignors may be approved to use more than one office of departure and may specify more than one 'authorised location' in the application. Each location to be used must be associated with and approved by each designated office of departure.

Authorised consignors must have the goods available for examination at the 'authorised location' associated with the designated office of departure and the 'authorised location' must be recorded in the NCTS.

The authorised consignor will lodge an NCTS declaration using the 'simplified procedure'. The declaration must include the Local Reference Number (LRN) which is unique to each declaration. The declaration must also include the details of any seals to be used, a prescribed itinerary, if necessary, and the expected arrival date of the goods at the office of destination as agreed with the office of departure and specified in the authorisation.

The NCTS will:

- Automatically accept the declaration, generate the Movement Reference Number (MRN) and send an Acceptance Notification message to the authorised consignor;
- Allow, upon acceptance, automatic 'time-out' release of the movement, provided that the goods are not 'controlled' by the office of departure;
- Upon release, send an electronic release message (IE029, Release for transit) to the authorised consignor. The TAD and Lol will be printed at the authorised consignor's premises and will be automatically authenticated by the system. The IE029 message permits the release for transit and it is this message which provides all the necessary data for printing the TAD/Lol.

3.4.8 Inland transport mode (Box 26)/Identity of means of transport at departure (Box 18)

Failure to enter the means of transport by an authorised consignor may result in the movement being processed under the normal procedure (Customs will have to request the necessary information before release).

If the mode is entered but the identity is left blank (apart from modes 5 and 7 which do not require an identity to be entered), the declaration will be rejected and will need to be resubmitted.

Although it is a mandatory requirement to complete Box 18 (identity and nationality of the means of transport at departure) on a CT declaration, it is recognised that, at container terminals with high levels of traffic, the identity of the road means of transport to be used is not always known at the time the transit declaration is made. The EU Regulations therefore allow for the requirement to complete Box 18 to be relaxed where goods are carried in containers and moved by road. The relaxation applies only to authorised principals who can guarantee to enter the details on the TAD (as a box 55 amendment) before presentation of the goods at the office of destination. UK principals who wish to take advantage of this concession can apply in writing to the Simplifications Team at the CCTO, at the address shown in paragraph 3.2.6, with the following information:

- a description of the circumstances as to why the concession is required;
- a list of the offices of departure concerned;
- a statement as to what arrangements the applicant has/will put in place to ensure that the identity and nationality of the road means of transport are entered in Box 55 of the TAD prior to presentation at the office of destination.

3.4.9 Goods declared for transit but not shipped

Where goods are not moved on the intended means of transport named in the transit declaration, Customs will advise the principal whether the declaration must be amended or cancelled. The declaration can only be cancelled if the transportation of the goods has not started.

Where a declaration has been accepted and it is subsequently discovered that some or all of the goods have not been shipped the principal must immediately report the facts to the office of departure. Customs will then take appropriate action.

In cases where non-shipped goods are to be moved under CT at a later date, the principal must enter a new CT declaration. Box 44 of the new declaration must make reference to the MRN of the original movement.

3.4.10 Multiple consignments in the same means of transport/container

Where a means of transport or container is carrying goods loaded at a previous office of departure and further goods are loaded at a subsequent office of departure, any breakage of customs seals must be done under customs supervision. Customs at the new office of departure will apply a new seal and note the details on the NCTS.

3.4.11 Rejection of a declaration on the NCTS

The NCTS will automatically validate the declaration to ensure all the mandatory fields have been correctly completed, to ensure the validity of codes and to verify the declared data against standing data. A declaration will be rejected by the NCTS if the content is incorrect or there is any data missing. An IE016 (Declaration Rejected) message will be sent to the trader and will contain the reasons for rejection.

It is not possible to 'interface' with the NCTS and amend a declaration so, following receipt of an IE016, the declarant will need to re-submit the IE015 declaration with amended data. In these circumstances, the Local Reference Number (LRN) can be re-used on the re-submitted declaration.

3.4.12 Cancellation of a transit declaration

A transit declaration can be cancelled, for a valid reason, at any stage prior to the movement having started. Depending upon the stage of the declaration on the NCTS, the cancellation can be initiated either by the declarant or by Customs.

A declarant may request a cancellation by sending a 'Cancellation Request' (IE014 message) to the NCTS. Customs will accept or reject and notify the declarant of the 'Cancellation Decision' (IE009 message).

3.5 Formalities at office of transit

3.5.1 Offices of transit in the UK

Offices of transit occur at borders between the European Union and a third country i.e. a non-EU country, when goods leave and/or enter the EU during the course of a transit movement.

Offices of transit rarely occur in the UK but a possible example would be where goods are consigned from an office of departure in Sweden to Manchester via Norway. Under these circumstances the TAD would be presented in Norway (as the point of entry into a common transit country) and in North Shields – Port of Tyne (as the point of re-entry into the EU). The goods would then be delivered to the office of destination or authorised consignee's premises in Manchester.

The office of transit will receive a notification [Anticipated Transit Record (ATR)] from the office of departure to advise that the goods will be passing through that office (the intended offices of transit will have been included in the IE015 declaration at departure).

The transit movement will remain in the 'ATR Created' state within the NCTS at the office of transit until the goods and TAD are presented there.

3.5.2 Control at office of transit

When the goods and TAD are presented at a UK office of transit customs will check that:

- The information on the TAD is correct and has not been altered without good reason;
- Any prescribed itinerary has been followed;
- Any customs seal applied at the office of departure or previous office of transit is still intact.

Provided that no major irregularities are identified customs will then:

- Record on the NCTS any minor irregularities or 'En Route Events' noted on the TAD e.g. change of means of transport (Box 55), or any incident en route (Box 56).
- Register the 'Notification of Crossing Frontier' (NCF) message to the office of departure, updating the movement on the system.
- Return the TAD to the carrier and allow the movement to continue to the office of destination.

If a major irregularity is identified, customs will terminate the movement at the office of transit, which will then become the office of destination.

The goods may then either be:

- entered to another customs procedure, or
- put into free circulation, or
- authorised to move forward under a new CT declaration.

Customs will notify the CCTO of the irregularity and the subsequent action taken.

3.5.3 Diversion to different office of transit

Subject to prescribed itinerary restrictions, CT regulations allow a transit movement to pass through an office of transit other than that or those declared on the declaration.

The actual office of transit will not hold the 'Anticipated Transit Record' but can request this from the office of departure after keying the MRN into the NCTS.

If a prescribed itinerary has been set by the office of departure and the goods are presented at an office of transit other than that/those declared, the actual office of transit may refuse to allow the movement to cross the frontier at that point and direct it back to the declared office of transit or destination.

3.6 Formalities at office of destination

3.6.1 NCTS Normal Procedure (office of destination)

The goods and TAD must be presented at the office of destination or at a customs-approved sub-place, i.e. a designated place approved and controlled by the office of destination, to end the transit procedure.

Failure to present the goods and TAD or 'arrive' the declaration on the NCTS means that the guarantee liability amount cannot be released on the GMS. This could therefore impact on principals wishing to move further goods under the CT procedure but who cannot because the GMS has not been re-credited for movements that remain undischarged.

3.6.2 Trader at Destination connected to the NCTS (normal procedure)

This procedure applies to principals or their representatives, carriers or recipients of goods who use the NCTS to notify the office of destination of the arrival of the goods electronically. Recipients may include the operators of any customs approved sub-place e.g. warehouses, external temporary storage facilities (ETSFs) and other temporary storage facilities, including unmanned or occasionally manned ports/airports.

The destination trader or representative, submits an electronic 'Arrival Notification' IE007 message to the NCTS at the office of destination when the goods are present either at the office of destination or at a designated sub-place approved by that office e.g. an ETSF. The party actually sending the IE007 'Arrival Notification' will be the notifier.

If any change of means of transport (Box 55), or any other incident en route (Box 56), has been noted on the TAD, these details must be included in the IE007 message.

IE007 'Arrival Notification' messages will be automatically validated by the NCTS and will be rejected if the content is incorrect or any required data is missing (e.g. location of goods omitted). If this occurs then an electronic 'Arrival Notification Rejection' message IE008 will be sent to the notifier. The IE008 message will contain the reasons for rejection. A new revised IE007 message will need to be sent to the office of destination.

Normally the 'Arrival Notification' will pass validation and the NCTS will find the relevant 'Anticipated Arrival Record' (AAR), sent forward by the office of departure and held on the NCTS at the office of destination, by reference to the MRN. The NCTS will automatically send an electronic 'Arrival Advice' message to the office of departure/write-off, stopping the 'Expected Arrival Date' timer running there. The movement record will pass to the 'Arrived' state within the NCTS at the office of destination and is ready for processing by customs.

The added importance of the 'Arrival Advice' is that it will also re-credit the liability amount (debited at departure) for guarantee types 0, 1 and 9 registered on the GMS. This process does not write-off the movement but will allow the principal to reuse the re-credited amount to move further goods.

If the IE007 'Arrival Notification' submitted relates to a movement for which the actual office of destination does not hold the relevant 'Anticipated Arrival Record', the NCTS will automatically request the AAR from the office of departure.

The NCTS at the office of departure will automatically respond and, upon receipt of the AAR, the NCTS at the office of destination will accept the 'Arrival Notification', send the 'Arrival Advice' message to the office of departure/write-off and pass the AAR, the movement record, to the 'Arrived' state, ready for processing by customs.

3.6.3 Trader at destination not connected to the NCTS

If goods moving under cover of an NCTS TAD are presented at an office of destination or an approved sub-place, and the destination trader is not able to make an electronic Arrival Notification, then either:

- The TAD, together with any supplementary Lol, must immediately be physically presented to Customs at the office of destination; or
- For goods presented at a customs-approved sub-place, an informal communication arrangement to immediately inform customs of the arrival of the goods must be agreed between the office of destination and the manager/operator of the premises concerned.

3.6.4 Controls at the office of destination

After the 'Arrival Advice' message has been sent, the office of destination must then record 'Destination Control Results'. This must normally be completed within one working day of the arrival of the movement but must be no later than 6 days following the sending of the 'Arrival Advice' message.

The NCTS declaration will be scrutinised by Customs and any seals information, time limits and prescribed itineraries will be checked. The goods may also be examined:

- in accordance with local risk profiles
- if the TAD indicates in box 56 that an incident/ irregularity has occurred
- if the entitlement to any EU treatment appears unsatisfactory.
- The result of the checks will be recorded on the NCTS. If all is satisfactory the CT operation will be ended.

The transit movement will be discharged (written-off) automatically by the NCTS when 'satisfactory' destination control results are input to the NCTS by the office of destination upon completion of the transit movement. The NCTS will pass the movement record to the 'Goods Released' state, send the IE025 'Goods Released' message to the notifier and send a Satisfactory 'Destination Control Results' message to the office of departure/write-off, which will automatically discharge/write-off the declaration. The declarant at the office of departure will then receive the IE045 write-off notification.

Where the NCTS declaration has insufficient transport information in Box 18, the Office of Destination will put it under 'Control at Destination'. Prior to registering the control results, the Office of Destination has the option of amending the vehicle details by overwriting the vehicle details. This will provide the Office of Departure with the correct vehicle details. The Control Results will be shown as 'Unsatisfactory (B1)'. The 'Other Info' field will then be used to show 'Transport details insufficient to identify vehicle'. However, the 'Waiting for discrepancy resolution' box is left unchecked. The goods will then be released in the UK but the Control Results message will inform the Office of Departure that the declaration has been out into 'Movement Under Resolution'. The Office of Departure will then be able to inform the declarant of the requirements for completing this field.

Where the office of destination records 'unsatisfactory' control results and requests action by the office of departure/write-off to resolve the irregularity, release of the goods may be delayed pending the resolution. When satisfied that the goods may be released, the office of departure/write-off will send an electronic response that will automatically generate the IE025 'Goods Released' message to the notifier at the office of destination. The declarant will then receive the write-off notification (IE045 message).

It is important to remember that the receipt of the IE025 'Goods Released' and IE045 'Write off notification' messages only means that the goods are released from the transit procedure, not from customs control. Following the discharge of the transit procedure, any non-Community goods (T1 status) must be put into another customs-approved treatment or use e.g. released for free circulation or entered to another customs procedure and any goods from special territories (T2F status) must have the import VAT correctly accounted for. Customs at the office of destination will need to be satisfied that the goods have been entered to an appropriate customs regime before allowing the goods to be removed.

Import entries must be completed for CT goods that are of:

- T1 status;
- T2F status from one of the special territories.

The TAD must be lodged at the office of destination with the relevant temporary storage inventory or other shed record and/or details of the entry to a customs procedure.

Note: the import entry must clearly show the following transit details in box 44:

- Status of the goods e.g. T1 (external transit) or T2F (internal transit – special territories);
- Transit declaration/MRN or T5 serial number;
- Place and date of authentication.

Any person approved to make import entries by means of Electronic Data Interchange (EDI) facilities must still arrange for the TAD to be presented to Customs without delay. The arrangements for presentation may vary at different Customs offices of destination. Customs at the port, ICD or (air)port of destination can advise on the local arrangements that apply. See the Tariff Volume 3, Part 3 for further information.

3.6.5 NCTS simplified procedure at office of destination (authorised consignee)

Depending on the conditions of their authorisation, authorised consignees will be able to receive time out release to unload the goods.

An authorised consignee will have (a) designated office(s) of destination, which will be named in the authorisation and will manage the transit procedure.

The authorised consignee will need to have an appropriate approval in place to enable the goods to be entered to a customs approved treatment or use following the end of the transit procedure.

The authorised consignee may be authorised to use more than one office of destination and may specify more than one 'authorised location' in his/her application. Each location must be approved by the office of destination and specified in the authorisation.

The authorised consignee must take full responsibility for the control of goods at the authorised location, carry out any prescribed unloading checks, send in the 'Unloading Remarks' message (IE044) and meet the requirements for the ending of the CT movement to the satisfaction of the office of destination.

When the goods arrive at the authorised location, the authorised consignee must advise the office of destination by sending an electronic 'Arrival Notification' message (IE007).

The NCTS will send an 'Arrival Advice' message (IE006) to the office of departure. The authorised consignee must make the TAD/Lol available to the office of destination according to the agreed arrangements as specified in his/her authorisation.

If not selected for 'control' by the office of destination the NCTS will, upon expiry of the timer, send an electronic 'Unloading Permission' message (IE043 message) to the authorised consignee which includes the 'Anticipated Arrival Record' (AAR) data sent to the office of destination by the office of departure.

The authorised consignee must carry out all necessary checks against the AAR data and respond with an electronic 'Unloading Remarks' message (IE044). If the unloading remarks are 'satisfactory', the NCTS will:

- Send a 'Release from transit' message to the authorised consignee; and
- Generate an electronic advice of satisfactory results to the office of departure, discharging the movement.

If the 'Unloading Remarks' message is not satisfactory, or the movement is selected for control by the office of destination prior to expiry of the timer, then automatic release will be inhibited.

The office of destination will input the 'Destination Control Results' and release the goods following control and the resolution of any discrepancies. An electronic release message will be sent to the authorised consignee.

3.6.6 Ships stores and ships spares

In order to end the CT procedure in accordance with regulatory requirements, the principal/carrier/recipient must ensure that the goods and the TAD are produced at the office of destination (or an approved sub-place of the office of destination) within the required time limit, **before** they are delivered to the receiving vessel.

Alternatively traders at destination can apply to become authorised consignees (which entitles them to receive the goods directly at their "authorised location" and communicate the arrival and subsequent unloading remarks to customs electronically on the NCTS).

If you are responsible for carrying and/or receiving ships stores/sparwes you must ensure you have agreed appropriate arrangements with your office of destination to meet your legal obligations, i.e.:

- physically presenting the goods and TAD at the office of destination within the required time limits or
- presenting the goods to an approved sub-place of the office of destination with appropriate arrangements in place to immediately communicate the arrival of the goods to customs (i.e. either electronically using the NCTS or informally according to locally agreed arrangements) or
- applying to become an authorised consignee.

3.6.7 Non-compliance at destination

Non-compliance with any of the formalities at destination may result in detailed enquiries being made. Until these enquiries are concluded to customs' satisfaction the goods may remain under customs' control.

HMRC recommends that transit principals have a procedure in place which clearly identifies that the carrier and/or recipient of the goods are aware that the goods are moving under Community transit and what their responsibilities are under the transit procedure. Unless such a procedure is in place customs will only be able to pursue the principal for any customs debts arising due to the non-production of the goods at the office of destination.

The principal and/or any other persons involved in the operation may be liable to civil penalties for serious or repeated failure to comply with the formalities at the office of destination e.g. non-presentation of the goods and TAD (see section 8).

3.6.8 Inadequate transport identification in Box 18

Where TADs are found to contain insufficient transport information, they will be put under 'Control at Destination'. The Control Results will be shown as 'Unsatisfactory (B1)' and the reason given in the 'Other Info' field will be shown as 'Transport details insufficient to identify vehicle'. There is a section in the Transit level for the declared identity to be shown. This may be used in conjunction to show the correct vehicle identity.

The 'Waiting for discrepancy resolution' box will be left unchecked so that the goods can be released in the UK.

3.7 Discharge/write-off of the CT movement

3.7.1 Office of write-off

When a transit movement has been released on the NCTS, the declaration will pass to the 'Movement Released' state and timers within the NCTS will start, set against the 'Expected Arrival' date and subsequent 'Expected Control Results' date. Expiry of these timers activates the enquiry procedure which is undertaken by the office of write-off in the country of departure. In the UK, this function is performed by the CCTO.

3.7.2 Control results 'Unsatisfactory'

Where the office of destination records 'unsatisfactory' control results and requests action by the office of departure/write-off to resolve the irregularity, release of the goods may be delayed pending the resolution. When satisfied that the goods may be released, the office of departure/write-off will send an electronic response that will automatically generate the IE025 'Goods Released' message to the notifier at the office of destination. The movement will be finally discharged when it is written-off by the office of departure/write-off upon resolution. The declarant will then receive the write-off notification (IE045) message.

3.7.3 Common reasons for the non-discharge of a transit procedure

UK customs has become aware of some common commercial practices which have typically resulted in the transit procedure not being ended at destination. These are:

- carrier/haulier driving through the UK border without presenting the goods or TAD (escapes);
- goods being cleared on CHIEF but not presented with the TAD at the office of destination to end the transit movement (see 3.7.4);

- carriers, hauliers or consignees failing to recognise the TAD and filing it in their local records rather than presenting it to customs i.e. at temporary storage premises;
- incorrect office of destination entered on the transit declaration e.g. Dover often entered instead of the correct inland office.

3.7.4 Late Presentation of Transit Declarations

This section provides guidance on the procedures to be followed where the goods were not presented at the Office of Destination within the prescribed time limit but the goods are subsequently discovered to have been entered to free circulation with duties paid.

Situation 1:

The TAD and customs import entry evidence is presented to the Office of Destination after the time limit plus 7 days without the goods, and the MCC (NCTS) history **does not show** that an IE142 enquiry message has been received.

Action to Take:

For audit purposes and for the correct operation of the enquiry procedure, the CCTO must be in receipt of an IE142 in order to begin to make official investigations.

Where there has been no enquiry initiated with the CCTO by this means, Offices of Destination should not discharge the TAD but should advise the person presenting the TAD to provide this information to the Principal of the movement, who should in turn present this to the Competent Authority of Enquiry at Departure.

Situation 2:

The TAD and customs import entry evidence is presented to the Office of Destination after the time limit plus 7 days without the goods, and the MCC (NCTS) history shows that an IE142 enquiry message **has** been received.

Action to Take:

The Office at Destination should advise the person presenting the TAD that, as enquiry action has been initiated by the CCTO, a discharge cannot be issued on the transit movement as it has been presented outside of the stipulated time limits and that the evidence provided will be forwarded to the Enquiry Team at the CCTO.

The Enquiry Team will then review the evidence provided and if they are satisfied that there are no outstanding Customs duties due, they will use NCTS enquiry messaging or the paper equivalent to advise the Competent Authority of Enquiry at Departure accordingly.

All documents provided should be sent to the CCTO Enquiry Team by email, fax or post as appropriate.

Part VII Chapter 3 Section 3.3.1 of The Transit Manual (Consolidated version) gives details of the documents which are acceptable as alternative evidence of the end of the transit procedure.

Entry to CHIEF is not an acceptable form of alternative evidence under these provisions so the TAD cannot be discharged against it. Goods must be released from Transit before they can be entered to Import or Export regimes.

However, the law does allow us via the enquiry procedure to establish whether a customs debt has been incurred. Therefore, where the entry satisfactorily matches the transit declaration, the CCTO will be able to notify the Enquiry Office at Departure that the goods and the TAD were not presented at the Office of Destination but the goods are considered to have been entered to free circulation in the UK and there are no customs duties due.

Situation 3:

The TAD **and the goods** are presented to the Office of Destination after the time limit plus 7 days and the MCC (NCTS) history **does not show** that an IE142 enquiry message has been received. The person presenting the TAD and goods has provided a reasonable explanation for the delay which the Officer is prepared to accept.

Action to take:

Office of Destination should register the movement and enter the appropriate Control Results Code to reflect the action taken, without referring to the CCTO.

*If the Trader has **not** provided a reasonable explanation then the guidance (action to take) as per Situation 1 should be followed.*

Further guidance is in Part IV Chapter 2 Section 3.7 and Chapter 4 Sections 3.2 and 5, of The Transit Manual (Consolidated version)

Situation 4:

The TAD **and the goods** are presented to the Office of Destination after the time limit plus 7 days and the MCC (NCTS) history shows that an IE142 enquiry message **has** been received. The trader has provided a reasonable explanation for the delay in presenting the movement which the Officer is prepared to accept.

Action to take:

The Office at Destination should register the movement and enter the appropriate Control Results Code to reflect the action taken, as per the Transit Manual.

At the same time, the Officer should email the CCTO to advise of the action taken, providing details of the explanation received from the Trader and advising the reason this was accepted in order to inform any future compliance and education action.

*If the Trader has **not** provided a reasonable explanation then the guidance (action to take) as per Situation 2 should be followed and the Trader should be advised that the CCTO will require satisfactory CHIEF entry evidence in order to progress with the enquiry.*

Situation 5:

A TAD involving ship stores/spares is presented to the Office of Destination with MV endorsed evidence of receipt of the goods on board the vessel after the time limit plus 7 days without the goods, and local pre-notification procedures have not been followed.

The MCC (NCTS) History shows that an IE142 enquiry message **has** been received.

Action to Take:

The Office of Destination should advise the Trader that they will not be discharging the TAD as enquiry action has been initiated by the CCTO and the documents provided will now be forwarded to the Enquiry Team at the CCTO. The Enquiry Team will in turn provide these to the Competent Authority for the Office of Departure as part of the Enquiry Team's enquiry response, also advising that the goods and the TAD were not presented at the Office of Destination.

The Office of Destination should send all documents to the CCTO Enquiry Team with a statement reflecting the actual situation:

- Whether there was pre-notification of the Transit movement and therefore an opportunity to examine the goods;
- Whether permission to load was granted but the Agent / Captain did not provide the original MV endorsed TAD within the time limit to allow the Transit Team to finalise the movement on NCTS.

If there was a pre-notification and permission to load was granted and the Trader has provided a reasonable explanation for the delay in presenting the movement which the Officer is prepared to accept, the guidance (action to take) as per Situation 4 should be followed.

3.8 NCTS Fallback procedure

3.8.1 Use of paper transit declarations

The use of paper transit declarations is permitted only:

- as a fallback when the NCTS is unavailable, or
- for private travellers with goods in excess of allowances.

3.8.2 NCTS fallback: 'Scheduled' Downtime in the HMRC Central System

Where possible, information on scheduled downtime will be posted up to seven working days in advance on the Service Availability page.

[HMRC online services availability page](#)

Traders are advised to check the site regularly for the date, time and duration of 'scheduled' downtime. Availability of the EDCS (e-mail), Web and the XML channels are reported separately on this page. This will help traders to organise their business accordingly.

Principals have permission to use the fallback procedure in accordance with Part V of the Transit Manual during periods of scheduled downtime.

Upon reinstatement of the central system, principals must immediately revert to using the NCTS.

3.8.3 NCTS fallback: 'Unscheduled' Downtime

During 'unscheduled' downtime when the central system is unavailable, principals have permission to use the fallback procedure. Where the principal's system is unavailable the principal should firstly contact the software supplier to try to effect a repair. However, if there is then still a need to use the paper fallback procedure, it will not be necessary to obtain prior permission from HMRC. If a principal has submitted a declaration on the NCTS but has received no response within expected timescales this may be as a result of a system failure. Corrective action will be necessary to deal with any messages stuck in the system. In this case the principal must contact the NCTS Helpdesk during office hours (08:00 to 17:00 Monday to Friday) on Tel: 03000 575 988.

Traders may wish to view the [HMRC online services availability page](#) to establish if any future unavailability has been published which may impact on their business.

See below for further details of corrective action.

3.8.4 Fallback procedure at office of departure

Principals must retain details in their records of all fallback documents used, the date and time that they started to use fallback and when they reverted to the NCTS.

3.8.5 Fallback procedure at office of transit

The carrier must present the goods, SAD copies 4 and 5 and a completed TC10 Transit Advice Note (TAN) to each office of transit. The TAN is retained at the office of transit.

Note: Principals who move goods via an office of transit are advised to obtain a small supply of TC10 Transit Advice Notes (Form C1128) to provide to the carrier in case there is a need to use fallback. These forms are supplied by the VAT, Excise and Customs Helpline on 0300 200 3700.

3.8.6 Fallback procedure at office of destination

Following any controls, the office of destination must send both copies of the SAD (or copy of the TAD) to the CCTO in Harwich who will retain copy 4 and return copy 5 to the office of departure.

3.9 Prohibitions and restrictions

The use of the CT procedure does not affect the requirement to comply with UK prohibitions and restrictions. See UK Integrated Tariff Volume 1 part 3 for details.

3.10 Transshipment of non – Community goods

Where non–Community goods are to be transhipped from one aircraft to another or one ship to another for direct delivery to a non-community country and the goods do not leave airside or portside, CT is not required to tranship the goods. If however the goods leave the perimeter of the airport or port, CT is required.

4. TIR

4.1 Introduction

4.1.1 Background information

The TIR Convention 1975 handbook can be downloaded from the United Nations Economic Commission for Europe (UNECE) website.

<http://www.unece.org/tir/tir-hb.html>

4.1.2 Contracting parties to the TIR Convention, 1975

The contracting parties are listed in part 3 of the TIR handbook and on the UNECE website.

<http://www.unece.org/tir/system/tir-system-countries.htm>

Only the countries in column 3 are able to use TIR transit operations.

4.2 General Principles: TIR Carnets and NCTS

4.2.1 Use of the New Computerised Transit System (NCTS)

When completing the NCTS declaration for goods moving across the EU under TIR it is mandatory to enter the code '952 TIR Carnet' from the drop down list and enter the TIR Carnet number in Box 40/44 'Produced Documents' field.

4.2.2 Validity of TIR Carnets

A Carnet can be used for journeys where the goods are carried in:

- A single vehicle; or
- A combination of vehicles – i.e. two or more vehicles coupled together; or
- One or more containers loaded onto a single vehicle or a combination of vehicles; (where the goods are carried in a container, the container may be transferred from one vehicle to another during the course of the journey).

Provided that at least part of the journey is by road, the containers and vehicles can be carried by air, rail or sea transport.

A single Carnet cannot be used to cover more than one vehicle e.g. a number of vehicles travelling in convoy/independently.

4.2.3 Fallback [see Transit Manual Part IX, Annex 8.4]

When the NCTS is not available at the office of departure, the office of departure or entry will write the word 'fallback' (or use the fallback stamp) on the carnet to avoid delays at the offices of destination, exit or en route.

If the office of destination is in the UK, it will send the detached voucher no 2 to the CCTO, which will forward it to the office of departure/entry as designated in the box “for official use”.

4.3 Guarantee Associations [see Transit Manual Part IX, Section 2.1]

4.3.1 National Guarantee Associations

The UK has two authorised Guarantee Associations:

The Road Haulage Association Ltd
(RHA)
35 Monument Hill
WEYBRIDGE
Surrey
KT13 8RN

☎ 01932 841515

The Freight transport Association Ltd
(FTA)
Hermes House
St John’s Road
TUNBRIDGE WELLS
Kent

TN4 9UZ
☎ 01892 526171

Both Guarantee Associations are affiliated to the International Road Union (IRU).

4.4 Standards of construction and physical security for vehicles and containers

4.4.1 General [See Transit Manual Part IX, Section 4.3]

Vehicles and containers used for transporting goods under TIR must be built and equipped to the Convention standards and approved as such.

In principle:

- They must have permanent identification marks and numbers;
- Containers must have a minimum internal volume of one cubic metre (except for air containers);
- Customs seals can be simply and effectively applied to them;
- When sealed, no goods can be introduced into or removed from them without leaving visible traces of tampering or without breaking the seal;
- They must not contain any concealed spaces where goods may be hidden; and
- All spaces must be capable of holding goods and readily accessible for inspection by Customs.

If the load compartment of a vehicle is on a trailer which can be detached from a tractor unit the trailer must have permanent identification marks or numbers.

When examining a vehicle or container, the competent authorities will confirm that the above standards have been met. If they are not met then the journey will not be allowed to continue under the TIR procedures. If the vehicle or container does not conform to the TIR Convention specifications and is not approved, goods are more likely to be subject to Customs controls, e.g. physical examination at borders and, if an incident occurs, the guarantee may not be recognised. In such cases the Carnet holder may be required to pay the duties and other charges.

4.4.2 Approval of road vehicles for transport of goods under TIR

4.4.2.1 Approval procedure.

Under the TIR Convention, the load compartment of road vehicles (including trailers and semi-trailers towed by motorised units) used to carry goods under the TIR procedure must be approved by the competent authorities (HMRC in the UK). They must be approved in the country in which the vehicle is registered or, in the case of new vehicles, the country where they are manufactured.

In the UK, HMRC has delegated approval to the local district offices of the Vehicle and Operator Services Agency in England, Scotland and Wales and the Department of the Environment in Northern Ireland. The approval can be given for either:

- Individual vehicles; or
- A manufacturer's design type for a series of vehicles.

In both cases, a certificate of approval (GV60) conforming to the model in the TIR Convention is issued for each vehicle. The original certificate must be carried with that vehicle whenever it is carrying goods under a TIR Carnet, except for the movement of "heavy and bulky" goods for which special provisions, explained further in section 4.6 apply. The approval certificate is valid for 2 years from the date of issue.

4.4.2.2 Customs checks.

When a TIR Carnet is presented at a customs office, customs will carry out the following checks:

Vehicle certificate of approval:

- Boxes 1 to 8 have been properly completed with box 7 signed and stamped by a representative of the approving authority;
- The validity date shown in box 7 has not expired;
- The certificate includes a photograph of the vehicle;
- The vehicle corresponds to the photograph and boxes 1 to 5;
- If any defects are noted in box 10, rectification details are noted in box 11 and both boxes have been signed and stamped by the appropriate authority;
- The certificate is an original and not a photocopy or a forgery;

- There have been no unauthorised changes to the certificate.

Irregularities with a vehicle approval certificate may include:

- Forged documents;
- Period of validity of the approval certificate has expired;
- Certificate of approval has been improperly altered;
- Photocopies of approval certificates - not acceptable in lieu of the original.

TIR Plate

Check that the vehicle is fitted with TIR plates conforming to the design and dimensions given in the *TIR Convention 1975, Annex 5*. When a road vehicle is carrying out a TIR operation, a rectangular plate bearing the inscription "TIR" and conforming to the TIR Convention specifications must be affixed and be clearly visible at the front and rear of the vehicle. For trailers this means that the front plate has to be fitted in a suitable position so that the cab of the towing unit does not obscure it.

Load compartment

Ensure the load compartment of the vehicle meets the standards specified in paragraph 4.4.1.

Seals

If the vehicle is sealed, check that the seal shows no visible trace of tampering and the serial number on the seal conforms to the details shown on the carnet and on the NCTS declaration.

In order to maintain the credibility and reliability of the TIR system the minimum check required is a seal check.

Defects/irregularities/tampering

If there are irregularities/tampering/defects with any of the above Customs will proceed as at section 4.8.

4.4.2.4 Invalid or lost approval certificates (GV60).

Vehicles which do not have a valid approval are not allowed to carry goods under cover of a TIR Carnet.

Lost approval certificates should be reported by the holder in writing to the approving authority and the vehicle must be re-inspected and re-approved. Replacement certificates are only issued in exceptional circumstances by the approving authority.

4.4.3 Approval of containers for transport under Customs seal

4.4.3.1 Approval procedure.

Containers used to carry goods under the TIR procedures must be approved to transport goods under Customs seal. In the UK containers are approved under:

- The TIR Convention 1975; and
- The Customs Convention on Containers 1956/1972, as amended by resolution 31 of the Inland Transport Committee of the United Nations Economic Commission for Europe (UNECE).

The competent authority must approve the container. In the UK, HMRC has authorised the following certifying organisations to approve containers on our behalf.

1. Bureau Veritas UK Ltd

Brandon House

180 Borough High Street

London SE1 1LB

Tel No: 0207 - 661 - 0700

Fax No: 0207 - 661 - 0741

Web site: www.bureauveritas.co.uk

2. Lloyd's Register Verification Limited

71 Fenchurch Street,

London EC3M 4BS

Tel : +44 (0)207 423 2428

Fax :-

Email : ecdirectives@lr.org

Website : www.lr.org

These organisations will give full details of constructional requirements and approval procedures.

They will issue a Certificate of Approval for either:

- Type approval - issued at the manufacturing stage, covers a particular design type and covers all containers subsequently built to that exact specification; or
- Batch approval - issued after manufacture, covers either an individual container or a specific number of containers of the same type.

4.4.3.2 Approval plate.

An approval plate conforming to the model in the TIR Convention must be fitted to all containers approved for transport under Customs seal.

4.4.3.3 Customs checks.

When a TIR Carnet is presented for goods carried in a container customs will carry out checks to ensure that:

- The container is fitted with the TIR approval plates conforming to the design and dimensions given in the *TIR Convention 1975 Annex 7, part II, Appendix 1*. There is no requirement for container approval certificates to be carried with the containers. It is therefore not normally possible to check whether a container has a valid approval certificate. If it is suspected that a container is not properly approved the officer will check the details against the record of approval certificates held by the CCTO.
- The load compartment of the container meets the standards specified in paragraph 4.4.1.
- If the container is sealed, that the seal shows no visible trace of tampering and the serial number on the seal conforms to the details shown on the carnet and on the NCTS declaration. If the seal has been broken proceed as per Part IX, Sections 5.5 and 5.6 of the Transit Manual. In order to maintain the credibility and reliability of the TIR system the minimum check required is a seal check.

If the checks reveal any irregularities/tampering/defects with any of the above customs will proceed as at paragraph 4.5.4.

More information on standards of construction and examination of containers can be found in Annex 7 to the TIR Handbook.

4.5 Control of TIR: General Principles

4.5.1 Control within the European Union

Control within the EU is carried out at customs offices of departure and destination, and at the customs offices where the goods enter and leave the territory of the EU.

4.5.2 Carnets authenticated but not used

TIR Carnet holders who have had a carnet authenticated by the office of departure but subsequently do not use it (e.g. because the export has been cancelled) must return the carnet to the office of departure with a written request for it to be cancelled and a declaration that the carnet has not been used.

If customs are satisfied with the written explanation they will:

- Note and sign the carnet that it has been cancelled;
- Copy the front cover and holder's written reason for cancellation to the CCTO with a covering letter confirming acceptance of cancellation (unless the movement has been discharged on the NCTS). This will ensure that the CCTO does not chase up the movement and issue inquiries;
- Return the carnet to the holder.

Upon receipt of the cancelled carnet the holder must then ensure that it is passed to the Guarantee Association as soon as possible to discharge the guarantee.

If, in addition to completing a TIR carnet, the holder has submitted a declaration on the NCTS, the procedure in Part 4, Chapter 2, paragraph 3.3 of the Transit Manual is to be followed.

If the carnet has been produced at the incorrect office of departure, i.e. not the office of departure which authenticated the carnet, it must be forwarded to the correct office of departure by recorded delivery.

4.5.3 Incidents or accidents en route [see Transit Manual Part IX Section 5.5]

When an incident or accident is reported, Customs at the relevant office will proceed as follows:

- Check the load conforms to the description on the TIR manifest (Voucher No 1/No 2 - orange sheet at the front of the carnet);
- If there is found to be an irregularity proceed as at section 4.8;
- If the load conforms to the TIR manifest, seal the vehicle once transfer is completed;
- Complete the 'certified report' in the TIR carnet (last orange sheet in the carnet) and on the TAD.;
- If the vehicle/container is continuing the TIR journey or after any transfer of the goods to another vehicle has been completed, seal/reseal the vehicle/container.
- If it has not been possible to check the load, endorse the 'certified report' "Not examined en route";
- Note the incident on the NCTS;

The office of destination should then endorse the 'certified report' with the results of the check on the contents and file the report with local records.

4.6 Special arrangements for certain goods

4.6.1 Heavy and bulky goods

Unapproved vehicles may be used for removing heavy and bulky objects under TIR, if the customs authority in the exporting Contracting Party is satisfied that:

- The goods cannot readily be carried in approved vehicles;
- The goods can be easily identified from the description on the Carnet manifest; or can be customs sealed and/or provided with identifying marks, so as to prevent any substitution or removal of the goods without it being obvious; and

- The carrying vehicle contains no concealed spaces where other goods may be hidden.

In such cases the Guarantee Association that issued the Carnet must clearly endorse the cover and all the vouchers with the words “heavy and bulky goods” or the French equivalent.

Examples of items commonly accepted as heavy and bulky goods are motor vehicles and heavy machinery.

Customs will take the following action when a carnet holder wants a load to be carried in an unapproved vehicle as heavy and bulky goods:

- Ensure the above conditions have been met;
- Check that the carnet cover and all the vouchers are endorsed with the words “heavy and bulky goods” or the French equivalent “marchandises pondéreuses ou volumineuses”;
- If packing lists, photographs or drawings are produced, date stamp the documents and attach them to the inside cover of the carnet ensuring reference is made to them on the manifest of each voucher.

It is not necessary to affix a seal for TIR movements designated 'Heavy or Bulky Goods'.

The carnet holder or his representative must secure TIR plates to the front and rear of the vehicle (or combination of vehicles) so that they are clearly visible.

4.6.2 Special vehicles moving under their own power

Special vehicles such as tank-vehicles, cranes, sweepers, concrete laying machines, etc may travel under their own power to the point of delivery.

Vehicles of this kind are regarded as the goods in a transit operation and may travel under cover of a TIR Carnet.

4.6.3 Transport of live animals [See Transit Manual Part IX Section 4.4.6]

The arrangements referred to in paragraph 4.6.1 for heavy and bulky goods also apply to the transport of live animals under TIR.

4.7 Prohibitions and restrictions

As well as presenting the TIR carnet to offices of departure and destination the trader must also present the required export or import documents in the usual way (see Notices 199 and 275 and UK Customs Tariff, Volume 3). The carnet goods are also subject to the same prohibitions and restrictions as other imports and exports. The trader should ask the Department of Trade and Industry for advice if the goods they intend to import or export need special licences or documents.

Traders must take into account the instructions on export and transhipment prohibitions and restrictions in *C3-5 Export and Transhipment Licensing control*, and on import prohibitions and restrictions in all parts of *Volume C4*.

4.8 Irregularities and Offences

4.8.1 Law

The law directly applicable to this section is Commission Regulation (EEC) 2454/93, Part II, Title II, Chapter 9 and the TIR Convention 1975.

4.8.2 General

In the UK persons who transport import or export cargo which has not been cleared from customs control and who fail to follow the proper procedures may be committing an offence against customs regulations under the Customs and Excise Management Act (CEMA) 1979.

4.8.3 Treatment of Irregularities

Customs will ensure that all the requirements of the TIR Convention are met and that all documentation is processed accurately and promptly at import and export. The holder of the carnet/transport approval certificate and/or driver may be held responsible for irregularities/offences.

Under EU Regulations, the customs authorities are responsible for recovery of customs debts. This includes the duty and other charges lost in connection with a transport operation carried out under cover of a TIR Carnet. Failure to recover the debt can result in HMRC having to make good the loss of any "own resources".

If the competent authorities have doubts and/or suspicions concerning a TIR consignment, they will carry out checks on the documentation and security of the transport. Where fraud is suspected, inquiry and investigation action will be initiated promptly.

4.8.4 Minor Irregularities

If customs decide that the irregularity/error/defect with the carnet, approval certificate or vehicle/container is of minor importance (e.g. omission of non-essential data from documents, no TIR plate, etc), and they are satisfied with the explanation given, that it does not lead to an increased risk of fraud or smuggling and there is no evidence of a customs offence, they will not detain the consignment. Customs will:

- Indicate any reservations by placing an "R" in box 27 of the carnet; and
- Comment in item 5 of the counterfoil;
- Note the discrepancy on the NCTS;
- Send a warning letter to the carnet holder or holder of the approval certificate as appropriate (Annex 4 suggests a form of words);
- Copy the warning letter to the CCTO with full details of the defect/irregularity and copies of any supporting documentation. If they cannot locate a foreign holder they will notify the CCTO by sending copies of documentation and details of the defects/irregularity.

4.8.5 Major irregularities

If customs decide that the irregularity/defect is of major importance, i.e. documentation is forged/false, documentation or the vehicle is altered in such a way, which leads to a risk of fraud, or smuggling, etc. they will:

- Confirm on the list provided by the Commission that the trader has not been excluded from the TIR procedure under Article 38 of the Convention;
- Consider full examination of the goods and the load compartment;
- Interrogate the CENTAUR database and then consider the following:

If customs have doubts about the validity of the paper carnet, a request shall be made to the CCTO to check it against the database of lost or stolen carnets.

If the carnet is false or forged, the requirements of the TIR Convention have not been met. Customs will therefore not permit the goods to continue under the TIR procedures.

4.8.6 Problems with vehicles or containers

If customs identify a vehicle or container problem, they may either refuse to allow the vehicle to continue its journey under the TIR procedures or, if the vehicle's destination is in the UK, may consider allowing the vehicle to continue but take the necessary steps to ensure the security of the goods. In both circumstances Customs will:

- Note the defects in box 10 and sign and stamp the approval certificate;
- Indicate any reservations by placing an "R" in box 27 of the TIR Carnet voucher No 2 and comment in item 5 of the counterfoil;
- Note the discrepancy on the NCTS; and
- Issue a warning letter to the holder of the approval certificate and send a copy to the CCTO for their records and monitoring.

If the operator continually fails to meet his obligations and the requirements of the TIR system, the vehicle can be refused access to move goods under TIR and a carnet holder may have his authorisation to use TIR Carnets temporarily or permanently revoked by the competent authority of the Contracting Party in which the person is resident or established (in the UK this is the CCTO).

4.8.7 Seals

If customs identify that a seal has been broken due to an accident or incident en route, customs will proceed in accordance with Part IX, Sections 5.5 and 5.6 of the Transit Manual.

4.8.8 Approval certificates for vehicles and containers

If customs identify a problem with the approval certificate (GV60/Container Certificate of Approval):

- If they have doubts on the authenticity of the vehicle/container certificate of approval, they will contact CCTO with full details and as appropriate send a copy of the approval certificate.
- If the approval certificate is false or forged the requirements of the TIR Convention have not been met and the goods will not be allowed to travel under cover of a TIR Carnet.
- A photocopied vehicle approval certificate cannot be accepted in lieu of the original.
- If the trader cannot provide the original document, customs will not allow the vehicle to proceed under the TIR carnet system, or
- If the vehicle's destination is in the UK, customs may consider allowing the vehicle to continue but take the necessary steps to ensure security of the goods and:
 - Indicate any reservations by placing an "R" in box 27 of the TIR carnet voucher No.2 and comment in item 5 of the counterfoil;
 - Note the discrepancy on the NCTS; and
 - Issue a warning letter to the holder of the approval certificate and copy to the CCTO for their records and monitoring.

4.8.9 Offence action

If a customs offence has been committed (eg CEMA 83 breakage of seals, CEMA167/168/170 - false/counterfeit declarations/documents, fraudulent evasion of duty or smuggling of prohibited or restricted goods), customs will proceed in accordance with the guidance for investigating such offences in the Enforcement Handbook.

Customs will contact the CCTO and keep them informed of all the details of events.

If there is no customs offence but the vehicle or documentation does not meet TIR Convention standards, the goods will not be allowed to travel under cover of a TIR Carnet. However the operator has the option of using the vehicle and transporting the goods under another customs procedure (eg CT) or transferring the load to a properly approved vehicle to use TIR.

Customs will report **all** irregularities involving TIR immediately to:

- The CCTO for monitoring, noting in their records and actioning as per the TIR Convention. Customs will always send a copy of the carnet/certificate of approval, supporting documents and the warning letter. If errors/irregularities (minor or major) continue, the carnet holder may have his access to the TIR system temporarily or permanently revoked.

- CENTAUR liaison officer for inclusion into the appropriate database (more information regarding CENTAUR can be found in the Enforcement Handbook and Centaur 2.0 Basic User Guide).

Detection Control & information Service (DCIS) should be updated as appropriate.

If the carnet or approval certificate holder is not resident or established in the UK it will be difficult to pursue offence action or be certain that they will act on a warning letter. In such circumstances, customs will complete the carnet and/or approval certificate noting the problem so as to inform the CCTO and competent authority where the holder is established or resident. The competent authority can then take action to revoke authorisation to use TIR carnets or stop use of an unapproved vehicle.

5. Simplifications

5.1 How to apply for simplifications

A number of simplifications are available to traders who meet certain criteria.

The simplifications available are:

- (a) Use of a comprehensive guarantee or guarantee waiver.
- (b) Use of a special loading list [for NCTS fallback or Community status documents only].
- (c) Use of seals of a special type.
- (d) Exemption from the requirement to use a prescribed itinerary.
- (e) Authorised consignor status (for CT, Community status documents or Control Copy T5).
- (f) Authorised consignee status (for CT or TIR).
- (g) Procedures specific to certain modes of transport (goods carried by rail, air, sea, pipeline).
- (h) Other simplifications based on Art 97 of the Community Customs Code/Article 6 of the Common Transit Convention.

To apply for simplifications (a) to (g), the applicant must complete a [C1343](#) application form. Advice on how to complete the form can be obtained from the CCTO.

To apply for simplification (h) shown above, please contact the CCTO directly.

A list of the legal provisions relating to each of the simplifications can be found in Annex 5.

5.2 Procedure for authorisation

To be eligible for authorisation, applicants will have to meet certain criteria and provide supporting evidence to the CCTO. The CCTO has 90 days from receipt of a fully completed application in which to process it to a conclusion. To avoid any unnecessary delays, applicants are therefore advised to fully complete the form, referring to the explanatory text where necessary.

As part of the process for approving an application, customs may visit the applicant. The visiting officer will have received a copy of the application and a pre-authorisation checklist from the CCTO. CITECH has produced an aide memoir to assist officers in carrying out visits to transit traders. The visit will be documented and the information retained in the trader's folder. See section 5.4 for further information.

If an application is successful, the CCTO will issue the successful applicant with an authorisation letter, which will state the conditions of approval. Failure to comply with these conditions may result in the authorisation holder being subject to a civil penalty and/or the authorisation being amended or revoked.

If an application is rejected the CCTO will inform the applicant of the reason(s) in writing. Any applicant who does not agree with the decision to reject an application has the right of appeal.

For further information on the appeals procedure see Part 10.

5.3 Simplifications based on Art 97 of the Community Customs Code

The criteria, conditions and procedures for the use of the simplifications are fully explained in the Transit Manual. This part concerns specifically the UK's national simplifications and bilateral arrangements with other Member States.

5.3.1 National transit simplifications

The UK has the following national simplified procedures in place:

- Movements between the UK and the Channel Islands;
- Automated inventory procedures – CCS(UK), CNS and Destin8;
- CT simplified procedure for direct exports using the National Export System (NES) Local Clearance Procedure (LCP)

5.3.2 Movements between the UK and the Channel Islands

The Channel Islands are one of the special territories that form part of the customs territory but not the fiscal territory of the EU. Goods arriving from the Channel Islands and remaining in the EU are liable to VAT and Excise duty but not customs duty or agricultural duties (CAP).

Under this simplified procedure, CT (T2F) declarations are not required for Community goods moving solely between a port/airport in the United Kingdom and a port/airport in the Channel Islands in either direction, provided that the goods are entered for payment at the port/airport of arrival. Customs controls are exercised by reference to operators' commercial records. This procedure operates mainly at three UK ports – Portsmouth, Poole and Weymouth.

The full Community transit (T2F procedure) is required where Community goods are moving between:

- EU Member States via the Channel Islands;
- the Channel Islands and another EU Member State via the UK or another Member State;
- an EU Member State and the Channel Islands via the UK;
- the Channel Islands and the United Kingdom when the goods are moved inland from a port or airport before a customs entry for payment of duties and taxes is made;
- the UK and another EU Member State via the Channel Islands.

Further information on this procedure may be obtained from customs at the relevant port/airport of departure.

5.3.3 Use of port/airport inventory systems

Electronic procedures have been developed through the local Community Systems Providers, CCS(UK), CNS and Destin8., which facilitates the movement of goods under transit within the UK. The procedure applies to goods not in free circulation, which have been directly imported into the UK from a third country or T1 goods from another Member State. It is used for the removal of the goods from the UK port/airport of arrival to a destination elsewhere in the UK that is also linked to the inventory system, either for entry or direct re-export.

The simplified procedure is available to all principals who hold a valid CT comprehensive guarantee or guarantee waiver.

Further information on this procedure may be obtained from customs at the relevant port or airport.

Also see [Public Notice 216](#) 'Customs procedures at CCS(UK) locations' for further information on CCS(UK).

5.3.4 Simplified procedure for direct exports using National Export System (NES) Local Clearance Procedures (LCP)

This simplified procedure allows exporters to submit an electronic combined export/transit declaration using the NES LCP for goods exported directly to a third country from the trader's premises or other authorised location to the UK (air)port of departure. Under this simplified procedure the NES LCP pre-shipment declaration, with certain additional data elements, also constitutes a declaration to the transit procedure.

Exporters who wish to be authorised for this simplification must:

- Be authorised to use both a CT comprehensive guarantee or guarantee waiver and the NES LCP procedure;
- Maintain a full audit trail of their operations.

5.3.5 Bi-lateral agreements

The UK has a bilateral agreement in place with the Netherlands.

This agreement extends the air Level 2 simplified procedures for airfreight transported by named airlines between Schiphol (air)port and the UK by truck. .

A CT guarantee is required and the Level 2 EDI manifest becomes the transit declaration. The simplified procedure is discharged when the manifest is received from the airline at the office of destination and is checked and cleared.

5.4 Assurance of simplifications

5.4.1 Authorisation checks prior to approval to use simplified CT procedures

Goods moving under CT pose a revenue risk as the customs duty and other charges on them are suspended until they reach the office of destination. As the simplified CT procedures allow the authorisation holder to operate with reduced customs intervention/control, checks will be carried out to ensure that the trader is reliable, responsible and can meet his obligations.

Local compliance officers may be asked by the CCTO to undertake pre-authorisation checks on an applicant for a simplified procedure to confirm the details that are provided in the application form. To perform this task the officer may need to visit the applicant.

The type of checks that Customs may carry out are detailed below.

5.4.2 General pre-authorisation checks applicable to all applicants

- Does the applicant use the CT procedure on a regular basis or is he otherwise able to meet his obligations regarding the simplification applied for?
- Will the applicant be able to comply with the conditions of the simplification applied for?
- Is the applicant's declared premises/location adequate for the purpose?
- If the goods are of non-Community status, are the applicant's premises/location approved to hold those goods (eg customs warehouse, temporary storage etc)?
- Does the applicant understand the CT procedures?

- What is the nature of the goods that the applicant intends to move or receive; are they high-risk? If so, should the applicant also apply to use seals of a special type and/or for an exemption from the requirement to use a prescribed itinerary?
- Has the applicant committed any serious or repeated offences against customs or tax legislation? Does the applicant have any outstanding convictions or County Court Judgements (CCJs) against him? Has any other offence action been taken against the applicant?
- Does the applicant assist in resolving discrepancies?
- Could customs supervise the procedure and carry out their controls without an unrealistic administrative effort, i.e. is there a complete audit trail from the transit movement to the export/import declaration in the applicant's records. Can individual transactions be traced?
- How efficient is the applicant's record keeping? Are the records complete and comprehensive? All documents should be made available to customs during an audit visit i.e. air waybills, shipping/sales invoices, packing lists, bills of lading, proof of payment, to check that the correct values have been declared and proof of status.
- Have the applicant's records been archived for the correct length of time? Four years for imports and exports, six years for VAT and excise, two years for Community status.

5.4.3 Pre-authorisation checks for a comprehensive guarantee or guarantee waiver

Customs will complete the general checks at 5.4.2 plus the following:

Sufficient experience:

- Has the applicant, acting as a principal, been using the transit procedures correctly? How long for? Does he understand his obligations?

Close co-operation with customs:

- Is the applicant compliant, co-operative?
- Does the applicant submit mandatory information/returns on time?
- Does the applicant willingly provide extra information on transit declarations such as Commodity code/value for non-high risk goods?

- Does the applicant always use the same office of departure to lodge his transit declarations?

In command of transport operations:

- Does the applicant carry out his own transport operations, using high standards of security?
- Does the applicant use a carrier with whom he has a long-standing contractual relationship and who provides a high standard of security?
- Does the applicant use an intermediary contractually bound to a carrier who provides a high level of security?
- Does evidence exist to support the above?

5.4.4 Pre-authorisation checks for an authorised consignor

Customs will complete the checks as at 5.4.2 and 5.4.3 plus the following:

NCTS software:

- Does the applicant maintain his own NCTS software or commercially available NCTS software or will he use the HMRC provided web declaration?
- How robust is the applicant's system? How often does he revert to NCTS fallback procedures?

The location(s) listed in the application:

- Are they associated with an office of departure?
- Are they fit for the purposes of control?
- Is there a dedicated area for examination of the goods prior to release?

Where an authorised consignor nominates the customs approved area of a port or airport as an authorised location there will not necessarily be a specific area or examination facilities for the authorised consignor's goods. The goods will be handled the same as any other goods clearing through the (air)port.

Customs will also agree the following procedures with the applicant. These will form part of the authorisation:

- Arrangements for informing the office of departure of forthcoming CT operations and the location of the goods;

- Duration of the automatic 'time out' period;
- The time limit within which the goods must be presented at destination.

5.4.5 Pre-authorisation checks for an authorised consignee

Customs will perform the checks at 5.4.2 plus the following:

NCTS software:

- Does the applicant maintain his own NCTS software or commercially available NCTS software or will he be using the HMRC provided web declaration?
- How robust is the applicant's system?

The locations listed in the application:

- Are they associated with an office of destination?
- Are they fit for the purposes of unloading and control?
- Is there a dedicated area for examination of goods prior to release from transit?

Customs will also agree the following procedures with the applicant. These will form part of the authorisation:

- The arrangements and time limit for making available or sending to the office of destination, the Transit Accompanying Document/List of Items TAD/Lol).
- How and where the goods will be made available for examination by customs.
- The duration of the authorised consignee's 'time-out' period.
- Time-limit within which the authorised consignee must communicate the unloading remarks to customs electronically;
- The arrangements for the temporary storage of the goods received at the authorised location(s) and/or for fulfilling the legal obligation to subsequently assign them to a customs-approved treatment or use.

The prescribed controls to be applied regarding:

- Damage to seals and other apparent external damage;

- Any irregularities/discrepancies concerning the goods (such as substitution, misdeclaration, shortage etc);
- The format and content of the authorised consignee's arrivals register (if required);
- The type of goods excluded from the authorised consignee's authorisation.

For transit operations covered by an NCTS fallback document the arrangements and time limit for:

- Notifying the office of destination of the arrival of the goods;
- Receiving the unloading permission, subsequent to notifying the office of destination of the arrival of the goods;
- Return of the relevant copies of the documents with the unloading remarks.

5.4.6 Pre-authorisation checks for air/sea Level 1 simplified procedures

The level 1 simplified procedures cannot be used for goods consigned from an inland CT office of departure or travelling inland beyond the airport/port of destination. Only shipping companies that operate an 'Authorised Regular Shipping Service' can apply for approval to use the sea simplified procedures. The sea level 1 simplification is therefore restricted to ports within the EU.

As per general checks at 5.4.2 plus the following:

- Does the airline/shipping company undertake to become the principal to the CT procedure and become completely accountable to the customs authorities in meeting its obligations and accounting for and resolving all discrepancies and irregularities?
- Who will be the representative of the airline/shipping company, (where appropriate)?
- Where will the goods be controlled? Is the location fit for the purpose?
- Is the proposed paper manifest in the correct format?
- Are/will copies of the manifest be made available to customs at departure and destination if required?

5.4.7 Pre-authorisation checks for air/sea Level 2 simplified procedures

The level 2 simplified procedures cannot be used for goods consigned from an inland CT office of departure or travelling inland beyond the airport/port of destination. Only shipping companies that operate an 'Authorised Regular Shipping Service' can apply for approval to use sea simplified procedures. The level 2 sea simplification is therefore restricted to ports within the EU.

Note: in the case of shipping companies, it is not mandatory to use electronic manifests (EDI) to qualify for the Level 2 simplification. Paper manifests can be used.

As per general checks at 5.4.2 plus the following:

- Does the airline/shipping company operate a significant number of flights/voyages between the airports/ports (in the EU/common transit countries) named in the application?
- Does the airline/shipping company undertake to become the principal to the CT procedure and become completely accountable to the customs authorities in meeting its obligations and accounting for and resolving all discrepancies and irregularities?
- Who will be the representative of the airline/shipping company, (where appropriate)?
- Where will the goods be controlled? Is the location fit for the purpose?
- Does the airline/shipping company use an Electronic Data Interchange (EDI) for manifest transmission? Is the system reliable/secure? (Airlines must use EDI manifests to be approved for Level 2 air simplified procedures. The system must be tested before approval can be granted.)
- Does the electronic manifest contain the correct information?
- Are/will prints/copies of the manifests be made available to customs at departure and destination when required?
- Does the airline/shipping company readily notify customs of any irregularities or discrepancies found when using customs procedures? Does it assist in resolving any anomalies found?

The extent of the checks at any particular (air)port will depend upon the operation carried out there. If the (air)port is the airline's/shipping company's main operational base, customs will fully examine the systems to be used. At a subsidiary (air)port the checks may be confined to matters concerning local control.

5.5 Post authorisation assurance

Once a trader has been authorised to use a transit simplification, customs may visit the authorisation holder to ensure that he is complying with the conditions of his authorisation.

5.5.1 General assurance checks may include:

- Is the authorisation holder complying with the conditions of the authorisation?
- Does the authorisation holder's system adequately identify the goods dispatched, received and handled?
- Are the goods assigned in a proper manner?
- Are revenue accounting requirements complied with? Does the authorisation holder calculate and declare all customs duties, VAT and other duties and charges correctly and in a timely manner?
- Does the authorisation holder identify any errors, irregularities and underpayments and bring any amounts due to account correctly and in a timely manner?

5.5.2 During an assurance visit customs may

- Confirm that the authorisation holder's details are correct and ensure that the authorised location(s) is/are consistent with the declared business activities.
- Address any risks that customs have identified via previous assurance visit reports, from sifted information and movement data.
- Address any risks identified during the visit.
- Review the authorisation holder's records. An audit trail should be evident from the CT declaration through to any associated import invoices, packing lists or evidence of goods entering a customs procedure.
- Request details of any consignments that are still at the authorisation holder's authorised location(s) and select some for examination to confirm that the goods, quantities and origins are as stated.
- Address any educational and advice requirements.

- Discuss any findings with the authorisation holder and issue a letter confirming completion of the visit. The letter should include any audit recommendations that customs have made. The authorisation holder will be asked to sign a copy of the letter confirming receipt of the letter and acceptance of the recommendations made therein.

Results will be recorded on the customs central database. These will be used as part of the authorisation holder's compliance record to inform risk on future assurance visits.

On the next visit customs will check the authorisation holder's records/data held to ensure that any previous recommendations made have been implemented.

In addition to visits by assurance officers, authorisations to use comprehensive guarantees are reviewed regularly by the CCTO to ensure that the guarantee amount is adequate.

5.5.3 Non-compliance with the conditions of an authorisation to use a simplification

Authorisation holders must inform the CCTO of any factor that arises that could influence the continuation or content of the authorisation. If customs establish that the authorisation holder is not complying with a condition of authorisation, HMRC will take appropriate action in accordance with Section 8 of this supplement.

In serious or repeated cases of non-compliance a visiting officer may also recommend to the CCTO that the authorisation be revoked or amended. The CCTO will inform the authorisation holder in writing of HMRC's intention to revoke or amend an authorisation stating the reason(s) and giving the authorisation holder a period of 30 days in which to provide further evidence or arguments that could change the decision. Where no valid evidence or arguments are provided, the CCTO will then issue the decision stating the date from which it will take effect. In exceptional cases where the authorisation holder's legitimate interests may be endangered, the date of revocation or amendment may be postponed.

5.6 Controls on CT simplified manifest procedures for goods transported by air and sea

5.6.1 Aims

Customs' aim is to ensure that:

- All non-Community goods have been properly accounted for;
- Community status has been correctly declared

5.6.2 Responsibility

Ultimate responsibility for control of the simplified procedures rests with the customs office at the designated (air)port of departure/destination although much of the work in the UK has been centralised at the CCTO.

Where it is considered appropriate for a local office to visit the authorised airline or shipping company, for example where records are held at the airline/shipping company's head office, the local office should request any relevant documents or information from Border Force at the (air)port of departure/destination.

5.6.3 Frequency of assurance visits

Visits should be made based on local risk assessment. They should also be made reasonably soon after authorisation in order to obtain early assurance of reliability and accuracy of status indicators. Community status declarations can be checked mainly by reference to commercial evidence held in the airline/shipping company's records and selectively by verification at the office of the agent/exporter. Acceptable evidence of Community status held by the airline/shipping company may include a statement, signed by a responsible officer of the consignor, that all goods are of Community status unless otherwise indicated.

5.6.4 Risks/considerations associated with the use of CT simplified manifest procedures

These include:

- Non-Community goods arriving at the (air)port of departure not declared on the airline/shipping company's manifest as T1.
- Incorrect or irregular attribution of status of, for example, T1 CAP, ex warehouse or IPR goods.
- Transshipment goods not 'exported.'
- Transhipped goods entering system as 'C' status.
- Non-Community goods declared as 'C' status.
- Un-manifested non-Community goods.
- Corruption of data on the manifest.
- Crossings out on the manifest.
- Computer systems defaulting to 'C' status.
- How information on status is made available to the airline/shipping company by regular exporters/agents.
- Type of goods and routing of traffic.

- Amount of revenue at risk.
- Goods arriving at destination - information not transferred to appropriate documentation and identified to customs so that controls can be maintained i.e. not entered to another customs regime or free circulation.
- Not raising Level 1 manifest when airline/shipping company is carrying goods under both the Level 1 and Level 2 simplifications.
- Level 2 manifest not raised for goods carried under both Level 1 and Level 2 simplifications.
- Airline/shipping company's system flawed (computer or manual).
- Degree of automation/manual involvement, including procedures for transferring data from airline/shipping company's system to CSPs.

5.6.5 Controls at departure - air and sea Level 1 manifests

5.6.5.1 Authentication

Unless the airline/shipping company is an authorised consignor, two copies of the (paper) manifest, which is the equivalent of a CT document, must be produced to customs (Border Force) at the air(port) of departure for authentication.

Customs will check that:

- The airline/shipping company is authorised to use the level 1 simplified procedure at the (air)ports concerned;
- Separate, unaltered manifests are used for each status, i.e. T1, T2 or T2F;
- The manifests contain all the required information;
- T1, T2 or T2F has been noted in bold letters on the first page of the manifests;
- The manifests have been signed and dated by the airline/shipping company identifying them as Community/common transit declarations.

Customs may examine the goods or ask to see all the air waybills/goods manifests/bills of lading relating to the consignments listed on the manifest.

When satisfied customs at the (air)port of departure will:

- Authenticate all sheets on both copies of the manifest by applying a CT registration number and stamping with the round metal CT stamp.
- Return one copy to the airline/shipping company and send one copy to the CCTO in Harwich.

Authorised consignors can authenticate their own manifests and send a copy of each Level 1 manifest directly to the CCTO at Harwich without having to present the manifest to customs at the (air)port of departure.

5.6.5.2 Monthly lists from (air)port of destination

Each month the CCTO should receive from customs at the (air)ports of destination in the other EU Member States and/or common transit countries a list of the manifests that were presented during the previous month. The lists will have been authenticated by customs but will have been drawn up by the airlines/shipping companies. The CCTO may also receive lists directly from airlines/shipping companies where the airline/shipping company is so authorised.

When the CCTO receives the lists, they will check to ensure that all the manifests authenticated during the month have been included. If they have not, they will pursue enquiries with the airline/shipping company and the (air)port of destination.

When the CCTO receives lists direct from approved airlines/shipping companies, they will occasionally send them to customs at the (air)port of destination for verification. These lists will be selected on the basis of perceived risk.

If a list is not received by the end of the month following the month in which the goods were consigned, the CCTO will initiate the enquiry procedure described in Part VII of the Transit Manual.

If deemed necessary, Customs will review airlines'/shipping companies' records to confirm the correct completion of manifests.

5.6.5.3 Resolution of irregularities/discrepancies

Any irregularities/discrepancies found by the (air)port of destination will be notified on the lists by referring to the particular airway bill/bill of lading for the goods in question. The CCTO will pursue these irregularities with the airline/shipping company in accordance with the regulatory procedures and timescales which are explained further in the Transit Manual.

5.6.6 Controls at departure – air and sea Level 2 manifests

Copies of the Level 2 manifest must be made available by the airline/shipping company on request.

Customs may examine the goods or ask to see the air waybills/bills of lading relating to the consignments listed on the manifest.

5.6.6.1 Request for post-clearance verification of manifests sent to Customs at the (air)port of departure

As stated in Part VI, Sections 3.8.3.2 and 3.9.3.2 of the Transit Manual the customs authorities at the port/airport of destination can, if necessary, send details of level 2 manifests to the customs authorities at the port/airport of departure for verification (for example, that the manifest at departure contained the same information as the manifest presented at destination). In the UK it will, in practice, be HMRC control officers who will select manifests for verification during assurance activities, rather than Border Force officers at the port/airport. Where HMRC officers consider it appropriate to request a verification this can be done by sending a copy or an extract of the Level 2 manifest to the CCTO together with Form TC21A (specimen found in Annex 8.7 Part IV of the Transit Manual).

5.6.6.2 Request for post-clearance verification of manifests received from Customs at the (air)port of destination

Where customs at the port/airport of destination in another EU Member State or common transit country request post-clearance verification of Level 2 manifest details for movements commencing at a port/airport in the UK, they will send a request on Form TC21A to the CCTO in Harwich. The CCTO will forward the request to the relevant HMRC control office for the airline/shipping company concerned for action and return of the completed TC21A (via the CCTO) within the required deadline.

The control office will verify the manifest details mainly by reference to the commercial records held by the authorised airline/shipping company and selectively by verification at the office of the agent/exporter.

5.6.6.3 Irregularities notified by (air)port of destination

Where the CCTO is notified by the (air)port of destination of any irregularities/discrepancies identified they will initiate the enquiry procedure described in part VII of the Transit Manual.

5.6.7 Controls at air(port) of destination - air and sea Level 1 manifests

5.6.7.1 Presentation of manifests

Unless the airline/shipping company is an authorised consignee, it must present the goods and the manifest to customs at the air(port) of destination to end the transit procedure. However, in the UK the airline/shipping company will send the manifest directly to the CCTO in Harwich.

Customs may examine the goods or ask to see the associated air waybills/goods manifests/bills of lading for the goods listed on the manifest. Customs will also need to be satisfied that the goods have been entered to another customs approved-treatment or use before allowing the goods to be removed.

5.6.7.2 Monthly lists of manifests

Each month the airline/shipping company must provide customs with a list of all manifests that were presented at the office of destination during the previous month. A separate list must be provided for each (air)port of departure. For movements ending in the UK the airline/shipping company will send the monthly list to the CCTO in Harwich (unless authorised to return the monthly lists directly to customs in the Member State or country of departure). The information required in the list is shown in Section VI of the Transit Manual.

When the CCTO receives the lists they will authenticate the lists and send them to Customs at the appropriate (air)port of departure, drawing attention to any outstanding irregularities.

5.6.8 Controls at air(port) of destination – air and sea Level 2 simplifications

The airline/shipping company must present the goods and manifest (or make the electronic manifest available) to customs at the airport of destination in order to end the transit procedure. Customs may examine the goods or ask to see the associated air waybills/goods manifests/bills of lading for the goods listed on the manifest. Customs will also need to be satisfied that any T1 status goods have been entered to another customs approved-treatment or use and any T2F status goods have had the import VAT correctly accounted for before allowing the goods to be removed.

The airline/shipping company must also inform customs as soon as possible of any offences or irregularities. In the UK the airline or shipping company has to notify these offences or irregularities to the CCTO in Harwich who will inform customs at the airport of departure and the authority which issued the level 2 authorisation. The CCTO will also initiate appropriate action, including recovery of any customs debts, for offences or irregularities established as having taking place in the UK.

5.6.8.1 Post clearance verification of Level 2 manifests sent to Customs at the (air)port of departure

As stated in Part VI, Sections 3.8.3.2 and 3.9.3.2 of the Transit Manual the customs authorities at the port/airport of destination can, if necessary, send details of level 2 manifests to the customs authorities at the port/airport of departure for verification (for example, that the manifest at departure contained the same information as the manifest presented at destination).

In the UK it will, in practice, be HMRC control officers who will select manifests for verification during assurance activities, rather than Border Force officers at the port/airport. Where HMRC officers consider it appropriate to request a verification this can be done by sending a copy or an extract of the Level 2 manifest to the CCTO together with Form TC21A (specimen found in Annex 8.7 Part IV of the Transit Manual).

5.7 The simplified procedure for goods carried by rail

5.7.1 Introduction

This section explains how the CT procedures can be simplified for goods moved by rail.

This procedure makes use of the railways' own commercial system for the control of movement of consignments carried by rail and accounting for carriage charges.

Further information about the carriage of goods by rail can be obtained from the rail operator in any EU member state or common transit country. In the UK, the majority of international traffic conveyed by rail that uses the Channel Tunnel is operated by DB Schenker Rail (UK) Limited.

Web: www.rail.dbschenker.co.uk

5.7.2 COTIF and SMGS International Conventions

The railways' system is established by the International Convention concerning the Carriage of Goods by Rail (COTIF), and known as the 'COTIF Convention'. This is supervised by the OTIF Intergovernmental Organisation. There are currently 47 member states of OTIF, including all the EU member states except for Cyprus and Malta and all the common transit countries except for Iceland. A full list is available on the [OTIF website at www.otif.org](http://www.otif.org).

The SMGS Convention is a similar agreement for Eastern Europe and Western Asia. The joint CIM/SMGS consignment note may be used to allow movement across Europe to Russia and its neighbours. Six EU member states are members of both OTIF and SMGS: Estonia, Latvia, Lithuania, Poland, Hungary and Bulgaria.

The rail simplified procedure can only be used by two or more national rail operators sending goods to each other as part of an interconnecting chain. Individual rail operators sending goods across international frontiers cannot use the simplified transit procedures. An operator who wishes to use the simplified procedure for a consignment has to expressly apply for it by completing the CIM and entering their identifying code.

5.7.3 Conditions for use of the rail simplified procedure

The general procedure for authorisation described in section 5.2 does not currently apply to the rail simplified procedure. In order to use the rail simplified procedure a rail operator must:

- use the CIM consignment note,
- cooperate with the other railway undertakings concerned in accordance with the COTIF Convention; this means that the goods are successively taken over and carried by different railway undertakings on a national scale which are, in the framework of common/Community transit, jointly liable to customs,

- establish a procedure for separate settlement of costs on the basis of information to be held available per connection and per month,
- use a commonly agreed system to check and investigate irregularities of consignments which have been settled/not settled in the prescribed period by the central accounting offices of the railway undertakings, and
- allow access by the customs authorities to its central accounting office.

Rail operators who wish to use the rail simplified procedure must submit a declaration to the Community of European Railway and Infrastructure Companies (CER), who will inform the European Commission.

5.7.4 Key features of the rail simplified procedure

- The rail operator uses copies of the Consignment Note (CIM) or the combined consignment note CIM/SMGS in place of an NCTS declaration. Hereafter all references to “consignment note CIM” will include the combined consignment note CIM/SMGS.
- The rail operator, in the sending member state or common transit country acts as the principal and becomes responsible for the goods.
- A CT guarantee is not required.
- The appropriate customs administration seeks recovery of revenue from its own railway operator in the case of irregularity.
- Rail operators are required to make the records held at their accounting offices available for customs control purposes.

5.7.5 Cross referencing between standard CT declarations and the consignment note CIM

Where the standard (NCTS or NCTS fallback) procedure is used for goods carried by rail, the declarant must indicate the NCTS MRN or fallback declaration number, office of issue, date and status on the associated consignment note CIM in the box reserved for particulars of accompanying documents.

In addition, the railway operator responsible for the last railway station involved in the CT operation must authenticate sheet 2 of the consignment note CIM after ascertaining that the transport of the goods is covered by the transit declaration referred to on the Consignment Note CIM.

5.7.6 Rail transit operations beginning and/or ending outside the EU/common transit countries

The rail simplified procedure is operative for that part of the journey which takes place within the EU and/or common transit countries. The customs office for the frontier station at the point where the goods enter or leave the EU/common transit country will act as the office of departure/destination. For movements starting outside the EU/common transit countries no formalities are required to be carried out at the office of departure. For movements ending outside the EU/common transit countries no formalities are required to be carried out at the office of destination.

All operations starting outside the EU are regarded as moving under the external (T1) CT procedure unless proof of the Community status of the goods is provided.

5.7.7 Use of consignment notes

The COTIF Convention requires the use of 5 sheets of the consignment note CIM. The sheets are used as follows:

	CIM: Description	Combined CIM/ SMGS: Description	Retained by	CIM Combined transport
Sheet I	n/a	n/a	n/a	Client/ Remettant
Sheet 1	Original	Original of the consignment note	Consignee	Original de la lettre de voiture
Sheet II	n/a	n/a	n/a	Client/ Reception
Sheet 2	Invoice	Invoice	CIM: carrier at destination; SMGS: destination railway	Feuille de route
Sheet 3	Arrival note/ Customs	(SMGS 5) Arrival note/ Customs	CIM to SMGS: consignee/customs SMGS to CIM: destination carrier/customs	Bulletin d'arrivée/ Customs
Sheet 4	Duplicate	Delivery note	CIM to SMGS: destination railway SMGS to CIM: not used	Duplicate de la lettre de voiture
Sheet 5	Duplicate invoice	(SMGS 3) Duplicate of the consignment	Consignor	Souche d'expédition

		note		
Sheet 6	n/a	Duplicate invoice	CIM to SMGS: forwarding carrier SMGS to CIM: not used [Sheet only used when sending goods to SMGS]	n/a

5.7.8 Rail operator's responsibility

As principal to the transit procedure, the railway operator accepts responsibility for the proper completion of the transit operation and for any customs duty and other charges which may become payable in the event of any irregularity. Contact with the rail operator should be made through the appropriate Customer Relationship Manager (CRM). Currently only DB Schenker Rail International Ltd is approved to use the simplified procedure in the UK.

The railway operator must ensure that consignments carried under a CT procedure are identified by a label or stamp (in green ink) bearing a pictogram, an example of which is shown in Commission Regulation 2454/93, Annex 58. The label or stamp must be attached to both the Consignment Note CIM and to the relevant rail wagon (in the case of a full load) or, in other cases, to the package or packages.

The rail operator "applies" to use the rail simplified procedure by ticking the 'yes' box and entering the code for the principal in box 58b of the CIM (or box 66b of the combined CIM/SMGS consignment note).

5.7.9 Goods moving under cover of TIR or ATA carnets or NATO form 302 procedures

Transit operations under cover of these documents are suspended during any part of the journey for which the rail simplified procedure is used.

5.7.10 Procedures at the office of departure

For movements starting within the EU or common transit countries the goods and Consignment Note CIM must be produced at the office of departure prior to the start of the movement. Any special endorsements prescribed by EU provisions must be inserted on the Consignment Note CIM.

Following the completion of any checks customs at the office of departure will, if checks are satisfactory, enter the status of the goods (T1, T2, T2F) in the box reserved for customs use on sheets 1, 2, and 3 of the Consignment Note CIM. Checks will include confirming that the pictogram label or stamp has been applied to the Consignment Note CIM and rail wagon or packages and that the railway operator has correctly completed box 58b of the Consignment Note CIM (box 66b of the combined CIM/SMGS consignment note) to indicate that it accepts responsibility as principal under the rail simplified procedure.

The rail operator applies seals which are accepted for customs purposes so it is not necessary for the office of departure to apply a customs seal to the means of transport or packages.

For those movements where the goods and Consignment Note CIM are not required to be produced at the office of departure the railway operator will need to agree arrangements with the office of departure to ensure that the 'T1', 'T2', 'T2F' symbols are entered on the Consignment Note CIM.

5.7.11 Changing the destination of the goods after handing them to the rail operator: modifications to contract of carriage

A consignor or consignee may, while the goods are en route, request diversion to a new destination. The rail operator will get permission from customs at the office of departure if it is needed.

Where the rail operator notifies a UK office of departure, customs will normally allow modifications provided all conditions relevant to the new destination (eg export licenses are produced) have been complied with and exportation of the goods to the country requested is not prohibited.

5.7.12 Use of the rail simplified procedure for movements of Community goods

5.7.12.1 Movement of Community goods from one EU Member State to another through one or more common transit countries under the internal CT (T2) procedure

The CT procedure shall apply for the whole of the journey between the station of departure and the station of destination. Provided the goods are not subject to prohibitions, restrictions, duties or other charges on export from the EU, there is no requirement for the Consignment Note CIM to be produced at the office of departure or for the pictogram label or stamp to be affixed.

No formalities are required to be carried out at the office of destination but the railway company in the member state of destination must make all the Consignment Note CIMs available for control purposes, if required.

5.7.12.2 Movement of Community goods from the EU to a destination in a common transit country under the internal CT (T2) procedure

There is no requirement for the consignment note CIM to be produced at the office of departure.

5.7.12.3 Movement of Community goods from one EU member state to another through the territory of a third country other than a common transit country

These goods can travel under internal Community transit (T2) using the rail simplified procedure provided the CT procedure is used for the whole of the journey between the station of departure and the station of destination. There is no requirement for the CIM to be produced at the office of departure or for the pictogram label or stamp to be affixed.

No formalities are required to be carried out at the office of destination but the railway company in the member state of destination must make all the Consignment Note CIMs available for control purposes, if required

5.7.13 Despatch of CAP goods under the simplified procedures

In order to claim an export refund on CAP goods the consignor needs to provide evidence that the goods have left the Community. This proof will normally be a control copy T5, but this is not required for goods which travel under the rail simplified procedure (unless destined for ships' stores or an entitled establishment within the EU).

The export declaration should include the statement "Departure from the customs territory of the Community under the simplified Community transit procedure for carriage by rail".

For further information, see Notice 800.

5.7.14 Measures to be taken where railway wagons are detached or the train is split up

The railway operator must report the details to the customs office responsible for the location where the railway wagon is detached or the train split up. The railway operator should also inform customs of its intentions with regard to the goods so that customs may take appropriate action.

5.7.15 Scope of the standard CT procedure and the simplified procedure

Where the standard (NCTS) CT is used for goods carried by rail, the label or stamp displaying the pictogram must be applied to the rail wagon or packages and to the Consignment Note CIM. The declarant must indicate the MRN, office of issue, date and status on the associated Consignment Note CIM in the box reserved for particulars of accompanying documents. The railway operator responsible for the last railway station involved in the CT operation must authenticate the Sheet 2 of the Consignment Note CIM after ascertaining that transport of the goods is covered by the CT declaration referred to. The railway company is also required to make its records available to customs for control purposes in accordance with paragraph 5.7.3.

5.7.16 Procedures at the office of destination

The customs office for the station of destination acts as the office of destination.

Except for those cases where formalities are not required at the office of destination the railway operator must present sheets 2 and 3 of the Consignment Note CIM to customs at the office of destination. If satisfied, customs will stamp both sheets, return sheet 2 to the railway operator and retain sheet 3.

Where goods are cleared at an intermediate station, the office for that station acts as the office of destination. In this case the railway operator will present copies 2 and 3, together with a supplementary copy 3, of the Consignment Note CIM. If satisfied, customs will stamp all three sheets and endorse them 'Cleared'. Copies 2 and 3 are then returned to the railway operator for onward movement to the station of destination and the supplementary copy 3 is retained by customs responsible for the intermediate station. This procedure cannot be used for goods subject to excise duty.

The customs authorities responsible for the station of destination may ask customs at the intermediate station to verify the endorsements on the sheets 2 & 3.

5.7.17 Combined road-rail transport

5.7.17.1 Introduction

Regulation 2454/93, Article 442 allows the regular (NCTS) procedure to be used for the carriage of goods where at the same time the conditions of the simplified rail transit procedure are met. This applies mainly for the combined road-rail transport. The operator opting for the use of the regular procedure will benefit from the simplifications that are granted to the rail transport leg while he has to use the regular procedure because of the road legs.

5.7.17.2 Acceptance by the railway operator

Where a consignment of goods being carried by combined road-rail transport under cover of one or more T1, T2 declarations:

- is accepted by the railway operator at a rail terminal where it is loaded on a railway wagon, and
- is carried through the territory of a third country, including a common transit country, or to or from a common transit country,

the railway operator shall certify its acceptance on a duly completed form. A separate form must be made out, where necessary, for each office of departure.

This form may consist of:

- either an acceptance advice note using the TC10 Transit Advice Note form;
- or a summary acceptance list, compiled daily or every two days, in as many copies as there are different offices of departure mentioned on that list.

This form must be endorsed "ACCEPTANCE - RAILWAY" (or its foreign equivalent) and contain the following details .:

- identification of the means of transport (e.g. road vehicle, or container);

- the type (T1, T2 or T2F) and number(s) of the transit declaration(s) accompanying the consignment;
- identification of the office and country of departure.

The terminal of departure must date stamp the form to certify the details on the form are correct and that they conform with the corresponding information given on the transit declaration(s) accompanying the consignment.

The railway companies at the terminal of departure must send the certified acceptance advice notes, and/or summary lists to the relevant customs office who will then forward them to the offices of departure concerned.

5.7.17.3 Verification of guarantee - carriage by road following the carriage by rail

Where a consignment of goods that is being carried by combined road-rail transport under cover of one or more NCTS declarations reaches the destination terminal the railway operator at the destination terminal shall check that the NCTS declaration has a valid guarantee for the onward journey by road.

The railway operator shall examine box 52 of the NCTS declarations accompanying the consignment to see whether the box contains, in respect of the word 'guarantee', one of the codes for Box 52 set out in Part V, Chapter 3, Annex 8.1 of the Transit Manual.

If box 52 of the declaration contains:

- code 3 or 7 , or
- code 8 and, following the journey by rail, transport continues in a common transit country or
- the guarantee is not valid in all the countries in which the journey by road takes place,

the railway operator shall retain the consignment at the destination terminal and shall request the nearest customs authorities to take action.

5.7.18 Duplicate Consignment Note CIM documents

If an original Consignment Note CIM is lost or stolen the railway operator at the station of consignment may either:

- Issue a copy of the lost Consignment Note CIM and stamp sheets 1-3 of the copy of the Consignment Note CIM; or
- Issue 2 photocopies of whatever sheet of the Consignment Note CIM is in its possession, stamping and renumbering them with the numbers of the sheets they replace, i.e. sheets 2 and 3 of the Consignment Note CIM; and

present them to customs at the office of departure.

Customs will:

- ensure that they are clearly marked "DUPLICATE";
- compare them with the documents relating to the consignment concerned;
- endorse them as either 'T2 goods' , 'T2F goods' or 'T1 goods' as appropriate and;
- where satisfied date, stamp and sign the documents.

5.7.19 Resolution of irregularities

Customs will take appropriate action to resolve any irregularities notified by the railway operator or identified during control checks, including recovery of any customs debts due.

5.7.20 Authorised Consignees

Where goods carried under the rail simplified procedure are intended for an authorised consignee the railway operator may deliver sheets 2 and 3 of the CIM direct to the office of destination.

6. NATO Form 302

6.1 Introduction

The rules concerning the import, export and transit of North Atlantic Treaty Organisation (NATO) goods are contained in the Agreement between the Parties to the North Atlantic Treaty regarding the status of their forces, London 19 June 1951.

The form 302 is used to control the movement of imported third country eligible military goods in and between NATO countries and countries participating in the Partnership for Peace (PfP). Articles 91 and 163 of Regulation 2913/92 and Article 462 of the Implementing Provisions of Regulation 2454/93 provide for the use of Form 302 as a transit declaration for goods moved from one point in the EU customs territory to another.

The customs authorities in each Member State, in agreement with the competent authority of the forces stationed on its territory, has designated a customs office responsible for handling customs formalities and controls concerning all consignments carried out by or on behalf of each unit of the forces stationed on its territory.

6.2 Layout of the form:

The form is a six-part document and copies 1-6 are all pre-authenticated by the CCTO. The form contains a pre-printed serial number and bears the full address of the CCTO (for the return copies of the document).

Copy 1 (original white) travels with the goods. Stamped by the forces unit of destination and by the office of destination and returned to the consignor (forces unit at departure).

Copy 2 (duplicate, green) travels with the goods. This copy is stamped by the forces unit of destination and the office of destination and returned to the CCTO.

Copy 3 (duplicate, pink) travels with the goods. Stamped by and retained at the office of destination.

Copy 4 (Blue) is retained by the consignor (forces unit at departure).

Copy 5 (yellow)/Copy 6 (pink): either of these copies may be sent to the CCTO at the start of any movement from the UK for entry on to the CCTO database. The other copy travels with the goods and is retained by the consignee (forces unit at destination).

6.3 NATO Form 302 Transit Procedure: UK as Member State of departure

6.3.1 Pre-authentication of forms by the CCTO

The NATO authority at departure will forward batches of blank forms to the CCTO. Batches should be no larger than is sufficient to cover 3 months' movements.

The CCTO will:

- stamp the blank forms in the appropriate box in the first row of the 'Part Reserved For Customs' table on the rear of the form, using the round CT authenticating stamp;
- date and number the forms in the appropriate box in the first row of the 'Part Reserved For Customs' table on the rear of the form using the CT numbering stamp;
- sign the forms in the appropriate box in the first row of the 'Part Reserved For Customs' table on the rear of the form;
- maintain a record of the forms issued to each NATO unit including the quantity of documents issued and both the customs CT number and the corresponding pre-printed serial number of each form;
- return the authenticated forms to the relevant NATO unit accompanied by an advice showing the serial numbers and the total quantity and asking the NATO unit to confirm receipt;

- make enquiries with the NATO unit if any pre-authenticated documents have not been used within three months (i.e. copy 5/6 not received at the CCTO).

Documents pre-authenticated at the CCTO may only be used to cover movements which have an office of departure within the UK.

6.3.2 Action by NATO authority at departure

The NATO authority at departure must:

- On receipt of the pre-authenticated forms from the CCTO, check the serial numbers and corresponding forms returned and immediately advise the CCTO of any discrepancies.
- Not later than at the time of consignment, complete the six-part form with a signed and authenticated statement, including the date of despatch, certifying that the goods are being moved under its control.
- At the time of despatch, retain copy 4 and send Copy 5 or 6 to the CCTO.
- Ensure that the remaining copies of the Form 302 accompany the goods.

6.3.3 Action at the customs office of transit when the goods temporarily leave and re-enter the EU

Where a movement temporarily exits the EU, the customs office of transit on exit will annotate copies 1, 2, 3 and 5/6 of the document in the appropriate box in the second row of the 'Part Reserved For Customs' table on the rear of the form. On re-entry to the EU, the customs office of transit on entry will annotate the document in the appropriate box in the third row of the 'Part Reserved For Customs' table on the rear of the form.

6.3.4 Action at destination

When the consignment arrives at the forces unit of destination, copies 1, 2, 3 and 5/6 must be stamped and signed on receipt by the competent authority for the forces concerned.

The competent authority for the forces concerned then sends all the copies to the customs office of destination.

The customs office of destination stamps copies 1, 2, 3 and 5/6, retains copy 3 and returns copies 1 and 5/6 to the forces unit of destination. Depending on local arrangements, copy 2 may be sent with copies 1 and 5/6 to the forces unit at destination for onward forwarding to the CCTO or sent directly to the CCTO by the customs office of destination.

The forces unit of destination then retains copy 5/6 and returns copy 1 (and possibly copy 2 for onward forwarding to the CCTO) to the consignor (NATO unit at departure).

6.3.5 Discharge and enquiry action at the CCTO:

On receipt of the copy 2, the CCTO will match this with the corresponding copy 5/6 of the form. Appropriate action will be taken to resolve any irregularities or discrepancies. If there are no irregularities/discrepancies or these are resolved satisfactorily the procedure will be discharged.

The US Defense Transportation Regulation – Part V defines the customs responsibilities and requirements applicable to the US visiting forces within the UK and EU. The Regulation imposes responsibilities upon the Customs Clearance Officers (CCOs), i.e. the authorised stamp holders in the US forces, for ensuring compliance with the relevant customs procedures. In particular the CCOs must oversee the return of the relevant copy of the form to the host nation customs authority at departure to close the movements and must carry out internal enquiries to reconcile any movements that remain open after 30 days from the date of shipment. Once a quarter the CCO will prepare and send a letter to the host nation customs office (CCTO in the UK) to clear any outstanding copies of Form 302 for the past 90 days. The letter must identify the outstanding Form 302 movement(s) in question and include a statement to the following effect:

“Cargo for these movements was received by the appropriate military consignee. The original Form 302 and associated HN duty free customs forms were lost or accidentally destroyed. Please accept this letter as proof of delivery.”

If possible, copies of the open Form(s) 302 in question should accompany the letter.

6.4 NATO 302 Transit Procedure UK as the Member State of destination

6.4.1 Action by the NATO authority at destination in UK:

On receipt of the goods and copies 1,2, 3 and 5/6 of the form 302, the competent NATO authority must stamp and sign all copies and send them to the customs office of destination which is located at the National Clearance Hub (NCH) in Salford, together with the C88 import entry. The NCH will stamp all copies of the form 302, clear the C88 import entry and return it to the relevant NATO unit together with copies 1 and 5/6. The NCH will retain copy 3 and return Copy 2 to the customs office of departure at the address shown on the Form 302.

6.5 Further Information

For any form 302 enquiries contact the CCTO on: 03000 575 988.

7. Control Copy T5

7.1 General

(a) The Control Copy T5 is not a transit document. It is a separate document that customs or other authorities use to apply extra control over particular goods. These include:

- intervention stocks and goods subject to production subsidies or export refunds such as CAP.
- Transfers of certain conditional relief goods that have been entered to free circulation.
- Goods subject to repayment or remission of duty. See [Public Notice 266](#) for further information.
- Goods for a prescribed purpose or destination - such as the transfer of end-use goods. Note: the End-Use T5 ([C1124](#)) is to be used only for transferring goods between end-use authorised traders in different Member States. Detailed rules on its use and completion are found in [Public Notice 770](#).
- Transfers of certain Products of Animal Origin (POAO) in certain circumstances from a Border Inspection Post to an inland destination.

For intra-EU trade, the T5 provides proof that these goods:

- Arrive at a particular destination.
- Are used or disposed of in a particular way.

For trade with non-EU countries, the T5 is used to:

- Draw attention to goods that are subject to taxes, restrictions or refunds on export from the EU.
- Provide evidence that these goods have been properly controlled when exported.

(b) The T5 (UK Form [C1125](#)) contains space for describing only one type of goods. When additional goods are to be dispatched, the T5 may be supplemented by either a continuation sheet (T5bis) (C1125A) or a loading list (C1125B). Both forms cannot be used together.

Each T5 form, continuation sheet and loading list has an original and a copy. The design, quality of paper and dimensions of the documents are described in the Customs Code Implementing Provisions Annexes 63, 64, 65 and 66. Traders wishing to print their own T5 forms, continuation sheets and/or loading lists must first submit copies to customs for approval. The proofs should be sent to:

HM Revenue and Customs
Customs Directorate
Export and Transit Policy Team
3rd Floor Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA

(c) Anyone wishing to use their own data processing system to produce and complete the T5 forms automatically can apply to the CCTO, or National Import Reliefs Unit (NIRU) for authorisation depending on the purpose for which the T5 is to be used.

(d) Approval can also be requested to produce a T5 loading list or descriptive list that does not conform to the standard layout and requirements of Commission Regulation 2454/93, Annex 65, if the list:

- is produced electronically by a firm that uses an integrated electronic or automatic data-processing system to keep its records;
- is designed and completed in such a way that it can be used without difficulty by customs and other relevant authorities; and
- includes, for each item, the information required under Annex 66 of Commission Regulation 2454/93.

(e) All goods declared on a control copy T5 and its accompanying continuation sheet(s)/loading list(s) must be:

- Loaded on a single means of transport;
- Carried from a single office of departure;
- Intended for a single consignee; and
- Entered for the same use and/or destination.

Any person who signs a T5 form is required to put the goods to the declared use and/or dispatch the goods to the declared destination. That person will be liable in the event of the misuse of the T5 form by any person.

7.2 CAP goods

If CAP goods claiming refund are moving under the external transit procedure (T1) to a common transit country the T5 form must be produced at the office of exit from the EU, or if the goods are loaded onto a non-regular shipping service, at the office responsible for the place of loading where it will be stamped and returned to the carrier. The goods will then continue to the CT office of destination in the common transit country where the CT operation will be ended.

If the office of destination is in the EU but is reached via a common transit country, the T5 form must be produced at the EU office of destination, or if the goods are loaded onto a non-regular shipping service, at the office responsible for the place of loading where it will be stamped and the CT operation ended.

It is not compulsory to use CT for these movements however, as TIR may be used instead.

In the UK the authority responsible for the control and payment of CAP refunds and subsidies is the Rural Payments Agency (RPA) [RPA Website](#)

7.3 Controlling disposal of relief goods after import

Before goods benefiting from certain reliefs can be lent, hired out or transferred, the person concerned must obtain permission from the National Import Reliefs Unit (NIRU).

The relief goods concerned are:

- goods imported by charities (Notice 317)
- scientific instruments (Notice 340)
- donated medical equipment (Notice 341)
- exhibits for museums and galleries (Notice 361)
- non-UN produced visual and auditory materials (Notice 373)
- goods for disabled people (Notice 371)
- goods for examination, analysis or test (Notice 374)
- capital goods (Notice 343)

If any of the above relief goods are transferred to another member state in continuance of the particular relief concerned, the T5 procedures must be used.

7.4 Control of Products of Animal Origin (POAO)

Commission Directive 97/78/EC requires veterinary checks to be carried out on products of animal origin entering the EU from third countries. The T5 procedures must be used where:

- furred wild game is sent from the Border Inspection Post (BIP), in sealed containers, to the establishment of destination
- other EU (animal health) law provides for certain animal products to be monitored, and travel under customs supervision, from the BIP to the establishment of destination or to an intermediate cold store (usually described as 'channelling procedures')
- consignments in transit are sent from one third country to another via the EU
- consignments are returned to the EU after being rejected by third countries and delivered to the establishment from which they originated.

7.5 Additional guidance – T5 Procedure for certain POAO imports – channelled goods

1. The importer/agent completes the T5 in duplicate, filling in all relevant boxes – Copy 1 (original which accompanies goods to place of destination) and Copy 2 (customs control copy) and in addition:

- endorses both copies boldly with 'Veterinary Checks' in red at the top of the form;
- inserts National Clearance Hub (NCH) address in Box B;
- inserts delivery address in Box 8 (Consignee);
- completes Box 104 by inserting 'X' in the box marked 'Other (specify)' and annotating with the words 'Products of Animal Origin under Customs supervision';
- completes Box 107 with the words 'Council Directive 97/78/EC Article 8.4';
- inserts customs entry number in Box 7.

2. Importer/agent submits both copies of the T5 with copy of Customs entry to Border Force at the port/airport where the goods are physically located who will then authenticate the T5 by:

- confirming entry details match those on the T5;
- checking the T5 has been completed in accordance with 1 above;
- stamping section D with the round transit stamp on both copies (in accordance with Article 912b Commission Regulation 2454/93);
- inserting in Box D next to 'seals affixed' the text 'waiver (article 357 regulation 2454/93)';
- adding any local reference numbers if appropriate in Box D;

- return copy 1 to the importer/agent for submission to Port Health at the Border Inspection Post;
- sending copy 2 by post to HM Revenue and Customs, National Clearance Hub, Ralli Quays, 3 Stanley Street, Salford M60 9HL.

3. Importer/agent submits copy 1 T5 (faxed copy is acceptable), CVED and other animal health documentation with goods to the Border Inspection Post.

4. Port Health/Animal Health action:

- Identify if goods require a T5;
- match relevant CVED (part 1) with Copy 1 of T5 (they must see the T5 or a faxed copy);
- complete Boxes 33 (Channelled goods) and 37 (Details of controlled destinations) on Part 2 of CVED;
- complete Box 42 of CVED (Part 2) with the unique T5 reference number and any local UKBA reference number if appropriate;
- copy 1 of T5 returned to importer/agent to accompany goods to approved destination establishment

5. Customs Clearance Procedure

Goods can be cleared on CHIEF in line with current agreed clearance procedures for POAO goods at the National Clearance Hub (NCH). Clearance of the goods is not dependant on presentation of a T5.

6. Importer/agent then arranges for the UKBA endorsed Copy 1 T5 (in accordance with Article 912c regulation 2454/93) and CVED Part 2 to accompany the goods until they arrive at the destination establishment.

7. On arrival of the goods at the destination establishment, the consignee/operator of the destination establishment must send T5 Copy 1 to the National Clearance Hub at the address above with evidence of the delivery/arrival of the goods.

Examples of suitable evidence include a cleared customs import entry and a delivery note or a copy of the written arrival notification which is sent by the operator of the destination establishment to the veterinary officer.

8. As part of their follow-up action, HMRC local staff may carry out verification checks, including a possible visit to the destination establishment, to verify arrival of the goods.

7.5.1 Products of animal origin subject to T5 channelling procedures - Guide to Tariff chapter headings and examples of goods

T5 channelling procedures apply to consignments requiring control from the BIP to the destination establishment under animal health legislation.

The list below covers the most common examples of goods subject to this procedure but is not comprehensive. Note that the commodity code headings include some products subject to the procedures and some that are not. References to relevant sections of the legislation and commodity codes have been included as a guide only and are not definitive. Port Health will decide which goods require a T5 to be issued (see 4 above) and they can provide any necessary advice. (For Tariff classification advice, contact the HMRC Tariff Classification Enquiry Line).

0506 Bone and bone products for use other than feed, organic fertilisers and soil improvers. Selection requirements are laid down in EC Regulation 1774/2002 Annex VIII Chapter X (applies if a technical product on an Annex X Chapter VIII certificate).

0511 91 Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of Tariff chapter 3. See EC Regulation 1774/2002 Annex VIII Chapter XI (applies if a technical product on an Annex X Chapter VIII certificate).

0511 9985 Other: Animal by-products for manufacture of feed including pet food and other technical products under EC Regulation 1774/2002 Annex VIII Chapter XI may be subject to channelling:

'Feed material' means those feed materials, as defined in Directive 96/25/EC (1), that are of animal origin including processed animal proteins, blood products, rendered fats, fish oil, fat derivatives, gelatine and hydrolysed proteins, dicalcium phosphate, milk, milk-based products and colostrums.

'Pet food' means food for pet animals containing Category 3 material. 'Technical products' means products directly derived from certain animal by-products, intended for purposes other than human or animal consumption, including tanned and treated hides and skins, game trophies, processed wool, hair, bristles, feathers and parts of feathers, serum of equidae, blood products, pharmaceuticals, medical devices, cosmetics, bone products for china, gelatine and glue, organic fertilizers, soil improvers, rendered fats, fat derivatives, processed manure and milk and milk-based products;

1518 0091 Rendered fats for oleochemical purposes EC Regulation 1774/2002 Annex VIII Chapter XII (Other fat derivatives in Tariff Chapter 15 may also be required to be channelled in line with Annex VIII Chapter XIII)

3001 Blood for technical and pharmaceutical use needs to be channelled under Article 8(4) of Council Directive 97/78. This channelling only applies to blood not blood products. Refer to Regulation (EC) No 1774/2002 Annex VIII Chapter XI

3002 Whole blood and blood products from countries which have bluetongue, vesicular stomatitis and where vaccination is being carried out against foot and

mouth disease may be subject to channelling. Refer to EC Regulation 523/2008 of 11 June 2008, amending EC 1774/2002 Annex VIII, X and XI. Blood products from countries which have other animal diseases may also be subject to channelling.

3503 00 Photographic gelatine and hydrolysed protein not for human consumption. Refer to EC Decision of 26 April 2004 on transitional sanitary and certification rules under EC Regulation 1774/2002 (applies if a technical product on an Annex X Chapter VIII certificate).

3504 Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed may be subject to channelling. Refer to EC Regulation 1774/2002 Annex VII, Chapter VI.

5101, 5102 and 5103 Unprocessed wool under 5101, unprocessed hair under 5102, unprocessed wool under 5103 may be subject to channelling under EC regulation 1774/2002 Annex VIII Chapter VIII

Re-imported POAO In addition to the products listed above, various re-imported POAO (also known as returned consignments) are subject to channelling under Article 15 of Council Directive 97/78.

7.6 General rules for completion of the Control copy T5

Commission Regulation 2454/93 Articles 912b - 912g and Annex 66 provide full completion instructions for the T5 and any continuation sheets/loading lists.

The general rules are as follows:

- Where the UK is the country of dispatch, the English version of the form must be used. It must be completed in English; however, the destination country may require a translation.
- Only the numbered boxes on the T5 form must be completed. Any unused boxes must be struck through.
- The address for return and the important note on the front of the T5 form may be printed in red.
- Any alterations must be crossed out, not erased or overwritten. They must be initialled by the person making the amendment and authenticated by Customs.
- The declarant must complete the T5 in duplicate, ensuring that the correct address for return of the form is entered in box B 'Return to

- Each T5 form, continuation sheet or loading list must bear a signature on the original and on the copy unless the declarant is authorised to make out his forms using an integrated electronic or automatic data processing system.
- T5 forms are available from the HMRC Customs, International Trade and Excise Helpline on 0300 200 3700.

7.6.1 Completion of a control copy T5

The following boxes must be completed:

Boxes 2, 3, 4, 5, 6, **7, 8, 14**, 15, 17, 18, 19, **31, 32, 33**, 35, 38, 40, 41, **100, 103, 104, 105, 106, 107, 108, 109**, and **110**.

The completion rules for the highlighted boxes are detailed below. The completion rules for the remaining boxes are the same as for the SAD and are found in part IV of the Transit Manual.

Box	Description	Contents
7	Reference	For optional use by the exporter to insert a commercial reference number.
8	Consignee	Enter the full name and address of the person(s) or company(ies) concerned, to whom the goods are to be delivered.
14	Declarant or representative	Enter the full name or registered company name of the declarant or representative of the declarant. If the declarant is the consignor/exporter, enter 'consignor' or 'exporter' and complete box 2. If the declarant or the representative of the declarant is a company, enter below the signature in box 110, the full name and status of the signatory.
31	Packages and description of the goods. Marks and numbers, Container no's, Number and kind	Enter the marks, numbers, number and kind of packages, or where the goods are unpackaged, the number of goods covered by the declaration or the word 'bulk', as appropriate. Where a description of the goods is required, enter the details. Any unused space in the box must be struck through. When a loading list is used, strike through this box and enter the details on the loading list.
33	Commodity code	Enter the code number for the goods, using the nomenclature for export refunds where

		appropriate.
100	For national use	<p>If a CAP export refund is being claimed, enter the exporter's Rural Payments Agency (RPA) registration number and the C88 (CAP) claim number or schedule reference number.</p> <p>When a loading list is used, strike this box through and enter the information on the loading list after the description of the goods to which it relates.</p>
103	Net Quantity	<p>Enter, in words, the net kilograms, litres or other units. The net weight is that of the goods themselves without inner or outer packaging.</p> <p>When a loading list is used, strike this box through and enter the information on the loading list.</p>
104	Use and/or destination	<p>(a) Indicate the use and/or destination intended or prescribed for the goods by placing an 'X' in the appropriate box. If there is no appropriate box, place an 'X' in the box marked 'Other' and specify the use and/or destination.</p> <p>(b) Where a time limit for assigning the goods to a particular use and/or destination is required enter the following statement: 'Time limit of...days for completion'.</p>
105	Licence	<p>Enter the type, serial number, date of issue and name of the issuing authority of any licence or advance fixing certificate.</p> <p>When a loading list is used, strike this box through and enter the information on the loading list after the description of the goods to which it relates.</p>
106	Further particulars	<p>(a) If a consignment of goods accompanied by a T5 is divided, each T5 extract is to show any special notations shown on the initial T5. See section 5 for further information.</p> <p>Enter the following phrase: 'Extract of the initial control copy T5' (<i>registration number, date, office and country</i>)</p>

		<p><i>of issue)</i></p> <p>(b) Where the EU rules specify that a guarantee is required, enter the following phrase:</p> <p>‘Guarantee of EUR...lodged’</p> <p>(c) If an incident occurs during transportation of the goods e.g:</p> <p>Seals are broken for reasons beyond the carrier’s control;</p> <p>Goods are transferred from one means of transport to another. Any transfer must be done under customs supervision unless authorised by customs to make the transfer without customs supervision;</p> <p>In the event of imminent danger necessitating the immediate partial or complete unloading of the goods;</p> <p>In the event of any incident or accident that prevents the declarant or other person concerned from complying with their obligations.</p> <p>enter the details of the incident.</p>
107	Legislation applicable	Insert the EU Regulation applicable to the procedure.
108	Attached documents	Enter details of any accompanying documents e.g. invoices, packing lists, and as appropriate, the total number (quantity) of any continuation sheets or loading lists attached.
109	Administrative or Customs document	<p>If the goods are travelling under a transit procedure, enter the type, number and date of registration of the transit document and the name of the issuing customs office.</p> <p>If the goods are not travelling under a transit procedure enter the following phrase:</p> <p>‘Goods not covered by a customs procedure’</p>
110	Place and date. Signature and name of declarant/	The signature must be original on both copies of the T5, unless authorised not to sign the

	representative	<p>declaration in which case enter the phrase</p> <p>'Signature waived – Article 912g of Regulation (EEC) No. 2454/93'.</p> <p>The signature should be followed by the declarant's name and status, the place and date. It should be signed by the person shown in box 14 of the T5.</p>
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7.6.2 Completion of a T5 continuation sheet

The sheet has space for describing three types of goods. If using a continuation sheet the declarant must enter the details of the first type of goods in the T5 form.

The declarant must then enter in the continuation sheet:

- the subsequent types of goods. Strike through any unused boxes for the description of the goods (box 31)
- the pre-printed serial number of the T5, in box A of each sheet.

7.6.3 Completion of a T5 loading list

If using a loading list the declarant must enter:

- the information normally entered in boxes 31, 32, 33, 35, 38, 100, 103 and 105 of the T5. The equivalent boxes on the T5 form must be struck through;
- the pre-printed serial number of the T5, in the office of departure box of each loading list;
- all of the information required by the column headings.

Only the front of a loading list may be used. Each item on the list must be numbered (first item = 1, second item 2 and so on). A horizontal line must be drawn after the last entry and any unused space beneath the line must be struck through to prevent information being added at a later date.

At the foot of the appropriate columns of the loading list the declarant must enter:

- The total number of packages containing the goods listed;
- The total gross and net mass of the goods.

7.7 Use of a red label on the control copy T5

The UK version of the label is Form C1131. Traders are advised to use the label for the following reasons:

- Where goods are exported from the EU under control - it draws the attention of hauliers and of Customs at the point of exit from the EU to the fact that goods covered by a T5 have to be presented.
- Where goods whose destination and /or use within the EU come under EU control measures - it indicates to the haulier and Customs at destination that there are goods covered by a T5 that need to be controlled.

The label comes in two detachable parts:

Part 1 must be affixed to the original T5. It states:

'Warning: to be given up at the appropriate customs office in the Community'

Part 2 must be affixed to the accompanying transit document. It states:

'Warning: this document is accompanied by a control copy T5'

Note: as a control copy T5 can be of significant value, traders are strongly recommended to use the red label as described above and to give clear instructions about the presentation of the goods and the T5 at destination to their agent or haulier. They are also advised to keep a record of the serial number of the T5 in case of queries.

7.8 Authentication of a control copy T5

Unless the declarant is an authorised consignor for T5 purposes, the customs office where the goods are dispatched will endorse the T5 form by entering in box A:

- the name and stamp of the office;
- the signature of the competent person;
- the date of authentication;
- the registration number (which may be pre-printed).

The same office will endorse the continuation sheets/loading lists by entering

the registration number of the T5 form in each page of the continuation sheet/loading list. The number may be inserted by a stamp incorporating the name of the office or by hand, in which case it must be accompanied by the official stamp of the office.

7.9 Dividing goods covered by a control copy T5

Where EU rules allow, goods covered by a T5 may be divided before completion of the procedure. Consignments resulting from the division may be further subdivided.

The customs office at which the division takes place will issue an extract of the T5 for each part of the divided consignment. A separate T5 must be prepared for each extract.

On each T5 extract the person requesting the division must enter:

- The information shown in boxes 2, 8, 14, 15, 17 and in box B of the initial T5;
- The additional information shown in boxes 100, 104, 105, 106, and 107 of the initial T5;
- In boxes 31, 33, 35 and 38, the information relevant to the part consignment;
- In box 106 - the registration number, date, office and country of issue, inserting the following phrase: 'Extract of the initial control copy T5 (*registration number, date, office and country of issue*)'.

On the initial T5 Customs will enter:

2.1.1.1 In box J - the number of extracts issued, inserting the following phrase: '(Number) extracts issued – copies attached'.

Customs will authenticate each extract in box A, retain a photocopy of the initial T5 and the T5 extracts and immediately send the initial T5 and a copy of the T5 extracts to the return address shown in box B of the initial T5.

The originals of the T5 extracts and the copies of any transit declarations used must accompany each part of the divided consignment to an office of destination.

Note: where the goods are moving under CT and a consignment is divided, the initial CT operation must be ended at an office of destination. A new CT declaration must be made out for each extract of the consignment and accompany the goods to an office of destination.

7.10 Issue of a receipt

Any person who presents a T5 document and the consignment to which it relates to the office of destination may request a receipt. See Part IV, Chapter 4, Section 4.1 of the Transit Manual.

7.11 Non-dispatch of T5 goods

When a consignment covered by a T5 is not dispatched or shipped, the declarant must recover any completed T5s and return them to the office of issue.

Authorised consignors must recover and retain any completed T5s, surrender them to their control office and note the details in their records.

7.12 Duplicate control copy T5

Traders may obtain a duplicate of a T5, an extract T5, a continuation sheet or a loading list if the original is lost.

They must:

- provide Customs with a written explanation of why a duplicate is required, quoting the serial number of the lost T5;
- prepare a duplicate T5 that corresponds exactly with the original;
- mark both copies prominently in red block letters 'DUPLICATE';
- present the duplicate for authentication at the office where the original was issued.

The issuing office will:

- compare the duplicate with a copy of the original (lost) T5;
- if satisfied, authenticate the duplicate T5 in box A and return the top copy of the duplicate to the trader;
- retain the second copy of the duplicate T5.

The office of destination will only annotate a duplicate when it is satisfied that the goods covered by the duplicate T5 have been assigned to the prescribed use and/or destination.

Authorised consignors must obtain approval from their control office before preparing and issuing a duplicate T5.

7.13 Retrospective issue of control copy T5

Customs at the office where the goods were shipped will authenticate a retrospective T5 on condition that the person concerned:

- was not responsible for the failure to apply for or to issue the T5 when the goods were dispatched, or can provide proof that the failure was not due to deception or obvious negligence on his part;

- provides evidence that the T5 relates to the goods for which the dispatch or export formalities were completed;
- provides the completed retrospective documents;

In addition, the person concerned must:

- Mark both copies of the control copy T5 in red 'Issued retrospectively';
- Enter on the control T5 copy:
 - details of the means of transport that carried the goods;
 - date of departure; and if appropriate;
 - date on which the goods were produced at the office of destination.

The office of destination will annotate the retrospective T5 when it is satisfied that the goods covered by the document have been assigned to the prescribed use and/or destination.

Authorised consignors must obtain approval from their control office before preparing and issuing a retrospective T5.

7.14 T5 goods - incidents en route

If one of the following occurs whilst the goods are en route to the office of destination the carrier must enter the details of the incident in box 106 of the T5 (and box 56 of the TAD/NCTS fallback declaration if the goods are moving under CT) and present the goods and the documentation at the nearest customs office.

- prescribed itinerary changes (TAD/NCTS fallback only);
- seals are broken for reasons beyond the trader's control;
- goods are transferred from one means of transport to another; Any transfer must be done under customs supervision unless authorised by customs to make the transfer without customs supervision
- in the event of imminent danger necessitating immediate partial or complete unloading of the goods;
- in the event of any incident or accident that affects the declarant's or carrier's ability to comply with their obligations.

When Customs are satisfied that the operation may proceed, they will endorse the TAD in box G and the T5 in box 106.

7.15 Additional procedures for goods moving under CT

7.15.1 Office of departure

Where the goods are moving under CT, box 44 of the CT declaration must bear a reference to the T5 and box 109 of the T5 must bear a reference to the CT declaration (MRN).

The CT principal must present the T5 together with any T5 continuation sheets/loading lists, the TAD (or NCTS fallback declaration) and the goods to Customs at an office of departure (unless the principal is an authorised consignor for T5 purposes; see section 7.16).

Customs may control the goods before registering and authenticating the documentation in box A of the T5. Customs will retain the copy T5 and copy continuation sheets/loading lists and return the remaining documentation to the principal. This must accompany the goods to the office of destination.

7.15.2 Office of destination

Where goods covered by a control copy T5 moving under CT pass through the territory of a non-EU country before permanently leaving the EU or are bound for a non-EU destination (including a common transit country), the goods and documentation must be presented and certified at the last office of destination in the Member State immediately before the goods leave the EU or at the designated premises of an authorised consignee.

The principal/carrier must present the goods together with the TAD, the original T5 and any T5 continuation sheets/loading lists. Where the goods and TAD are presented to Customs, they will issue a receipt to the principal/carrier on request (Form C1129), however the receipt must be completed by the principal/carrier before presentation to Customs.

The office of destination will control the arrival and, if the results are satisfactory, annotate the T5 and (where the office is also the office of destination for the CT movement) end the CT movement electronically on the NCTS. A photocopy of the T5 and the TAD will be retained by the office of destination and the original authenticated T5 will be returned to the CCTO. If the control results from the office of destination are satisfactory, Customs will then discharge the CT operation.

The CCTO will return the original T5 to the RPA for processing.

A diagram to more clearly illustrate the movement of the relevant documentation is shown

below:

Office of departure:

Receives:

- TAD
- Original + copy T5

Retains:

- Copy T5

Returns to :

- TAD
- Original T5

Office of destination:

Receives:

- TAD
- Original T5

Retains:

- Original TAD
- Photocopy T5

Sends to CCTO:

- Original T5

Returns to carrier:

- Receipt if requested

CCTO:

Sends:

- Original T5 to RPA for processing

7.16 Control copy T5 – authorised consignor procedure

7.16.1 General

An authorised consignor can consign goods without presenting them and the corresponding documentation at an office of departure.

Any person wishing to become an authorised consignor for Control copy T5 purposes must:

- Frequently consign goods that require a Control copy T5.
- Hold sufficient records so that Customs can check their T5 operations.
- Have not committed any serious or repeated offences against the legislation in force.

Applications to use the authorised consignor T5 procedure are to be made on form [C1343](#) to the CCTO (see also section 4.2). If authorisation is granted, the authorisation holder will be required to comply with the conditions set out in the authorisation letter.

7.16.2 Requirements for authorisation

The authorised consignor must:

- Use T5 forms that bear a distinctive mark, which identifies the authorised consignor procedure. These forms are stamped by them with a special metal stamp or pre-printed with the imprint of the special stamp.
- Take all necessary measures to ensure the safekeeping of the special metal stamp or of the forms bearing the imprint of the office of departure stamp or the imprint of the special stamp.
- Provide a guarantee (where required to do so under the specific conditions for issuing the Control copy T5).
- Use a specific means of identifying the goods, such as a goods description or a special seal.
- Use specific office(s) of departure.
- Comply with an agreed procedure and timescale for informing the office(s) of departure of each consignment, so that Customs can carry out any controls deemed necessary before the departure of the goods.

- Fully and correctly complete the T5 and any T5 continuation sheets/loading lists.
- Send a copy of the Control copy T5 plus any supporting documents within a set timescale to the office of departure after dispatch of the goods.
- Present the T5 and the goods at the office of destination within a set timescale.

7.16.3 Completion of a Control copy T5

Authorised consignors completing a T5 must follow the completion rules set out in the authorisation conditions.

7.16.4 Waiver of signature

Authorised consignors whose T5s are drawn up by an electronic or automatic data processing system may be authorised to omit the signature from box 110 of the T5.

8. Contraventions and Civil Penalties (CPs)

8.1 Introduction

Under EU agreements Customs are obliged to promote compliance with EU provisions and to have arrangements in place to tackle non-compliance. Civil penalties operate in VAT and excise, as well as in direct taxation, and are seen as an appropriate sanction in most customs cases.

Civil penalty provisions cover:

- Civil evasion - offences involving dishonesty
- Contravention of the law – such as breaches of regulations, failure to comply with the conditions of an authorisation and mis-declaration.

The civil penalty provisions cover all EU and UK customs law except:

- TIR and ATA Carnets.
- Prohibitions and restrictions.
- Smuggled goods subject to excise duty.
- Trade with the Channel Islands.

(When free circulation goods and goods originating in the Channel Islands move to the UK, import VAT should be declared and paid. The civil penalty provisions do cover any contraventions regarding import VAT declarations on such movements).

The civil penalty provisions cover customs duty (including agricultural duties) and import VAT but not excise duty.

8.1.1 The law governing the use of Civil Penalties is contained in:

- Finance Act 2003 Sections 24 to 41.
- Customs (Contravention of a Relevant Rule) Regulations 2003 (+ schedule of contraventions) (Statutory Instrument 2003/3113) as amended.
- Export (Penalty) Regulations 2003 (+ schedule of contraventions) (Statutory Instrument 2003/3102) as amended.

8.1.2 General Principles

Voluntary compliance can be encouraged, via education or amendment/withdrawal of authorisations. Civil penalties including civil penalty warning letters are an additional method of dealing with non-compliance.

Customs are very unlikely to issue penalties where a trader voluntarily discloses a contravention.

Customs cannot issue a civil penalty:

- More than three years after the contravention occurred.
- More than two years after the Department became aware of the facts.

Unless a first contravention involves serious error or when written instructions from Customs have not been complied with, they will not issue a penalty without first having sent a warning letter to the trader. If Customs send a warning letter to a trader it should specify the measures that they should take to improve their level of compliance. Should a second similar contravention occur within the time period set by the letter Customs may issue a civil penalty.

Customs will not issue a warning letter/civil penalty until they have established which particular legal provision has been breached. Where a trader is not complying with a condition of their authorisation, Customs must confirm that the condition is clearly stated in the authorisation letter.

The contravention must be listed in the Statutory Instrument's Schedule of Contraventions. If it is not there, it can not be subject to a civil penalty.

Minimum penalty is £250 moving upwards to a maximum of £1,000 or £2,500 (depending on the applicable Statutory Instrument schedules).

Penalties are charged via a Demand Notice. The Demand Notice will contain a penalty amount and a further warning.

A warning letter and a demand notice can only be issued to the 'legal entity responsible for the contravention'. In the case of CT this could either be the principal, the carrier or the recipient of the goods. The Statutory Instrument Schedules state who can be liable for a penalty for each contravention.

All warning letters issued are subject to reasonable excuse. Civil penalties issued are subject to reasonable excuse or mitigation.

Officers will maintain a complete audit trail of decisions in case of statutory review or appeal.

8.1.3 Civil penalty action for contraventions of transit regulations

Customs Directorate recommends that trader education is more appropriate than civil penalty action in the case of a first contravention of the transit regulations. The person concerned should receive an educational letter or visit from a compliance officer advising that a contravention has occurred and setting out the action that needs to be taken to improve compliance with the regulations. Civil penalties may then be appropriate if the person concerned continues to repeat the contravention despite a previous educational letter or visit.

8.1.4 Roles and Responsibilities

These are explained in CCP01040+

<http://home.inrev.gov.uk/ccpmanual/CCP01040.htm>

Further information on civil penalties can be found in [Public Notice 301](#) (Civil Penalties for Contraventions of Customs Law) and Customs guidance [C7-5](#) (Civil Penalties for Contraventions of Customs Law).

1st Contravention

Where a contravention of the transit procedure is identified an educational letter should be issued to the principal, carrier and/or recipient of the goods.

The letter should advise that, if the contravention is repeated a second time, then civil penalty action may be taken.

2nd Contravention

In the case of a repeated contravention by the same person, a Civil Penalty warning letter should be issued. (See Paragraphs 3 and 4 of C7-5).

3rd Contravention

Customs will refer the relevant papers (See Paragraph 4.5 of C7-5) to the Regional Customs Civil Penalty Officer for consideration of the issue of a penalty.

Records to be retained

Customs will set up a local detailed database to record all transit 'escapes' and retain copies of all educational and warning letters issued so that a full audit trail is in place if it becomes necessary to take civil penalty action.

Foreign Principals and Carriers

If staff at offices of destination or officers on audit visits to traders' premises find that a particular foreign principal or haulage company is regularly non-compliant, they will advise Customs Directorate, who will then write to the appropriate overseas customs authority.

Roles and Responsibilities of Customs officers

- HMRC/UKBA staff investigate and issue civil evasion penalties (involving dishonesty).
- Large Business Services, National Compliance officers and Law Enforcement officers will decide how to deal with a contravention of the law, issue warning letters and report further contraventions to a Civil Penalty Officer.
- Civil Penalty Officers will consider reports from officers, decide whether a penalty should be charged and the demand notice will be issued accordingly.
- Customs Directorate devises the civil penalty framework and advises on the provisions that may have been breached. It is the contact point for operational queries. It devises civil penalty procedures, monitors compliance standards and maintains the civil penalty records.
- Penalties and Debt Management Team formulate, evaluate, assure and implement civil penalty policy.

9. Specimen Management System (SMS)

The SMS network is administered by the European Commission and operated in the UK by the CCTO. The system holds information about:

- CT stamps used by transit offices of departure, transit and destination;
- authorised consignors' (A/C) stamps (required for NCTS fallback);
- certificates of guarantee;
- authorised seals;
- pre-authenticated customs documents.

The loss or misuse of any of the above must be notified to the CCTO immediately.

Customs will detain any goods found to be moving under a lost, stolen or forged document, seal, stamp or guarantee.

10. Receiving an adverse Customs decision from HMRC – Right to be Heard and Appeals procedure

10.1 Right to be Heard

When you receive an adverse customs decision from HMRC you will first be issued with a pre-notification explaining the reasons why the adverse decision has been made. The pre-notification is called your right to be heard and, once issued, you will have a period of 30 calendar days in which you may make further representations or provide further information to HMRC concerning the decision.

10.2 Appeals procedure

You also have a right of appeal if you disagree with any decision made by Customs.

There are two options available to you if you do not agree with any decision issued to you. Within 30 days of the date of the decision you can:

- Request a review of the decision by someone not involved in making the disputed decision. Your request must be in writing and should set out the reasons why you do not agree with the decision. You should write to:

Customs Directorate
Review and Appeals Team
7th Floor South West
Alexander House
21 Victoria Avenue
Essex
SS99 1AA, or

- Appeal direct to the Tribunal who are independent of HMRC.

If you opt to have your case reviewed you will still be able to appeal to the tribunal if you disagree with the outcome.

Further information relating to reviews and appeals is contained in leaflet HMRC1 which can be obtained from the HMRC website at

<http://www.hmrc.gov.uk/factsheets/hmrc1.pdf> or by phoning 0845 900 0404.

Annex 1: List of goods subject to a higher risk of fraud - Annex 44c of Commission Regulation 2454/93.

HS Code	Description of the high-risk goods	Minimum quantities	Sensitive goods code ¹	Minimum rate of individual guarantee
0207. 12 0207. 14	Meat and edible offal, of the poultry of heading 0105, of fowls of the species <i>Gallus Domesticus</i> , frozen	3000kg		
1701.12 1701.13 1701.14 1701.91 1701.99	Cane or beet sugar and chemically pure sucrose, in solid form	7000 kg		- - - -
2208.20 2208.30 2208.40 2208.50 2208.60 2208.70 ex 2208.90	Spirits, liquors and other spirituous beverages	5 hl	1	2500 EUR/hl pure alcohol
2402.20	Cigarettes containing tobacco	35,000 pieces		120 EUR/ 1000 pieces
2403.11 2403.19	Smoking tobacco, whether or not containing tobacco substitutes in any proportion	35kg		

- ¹ Where the transit data is exchanged using information technology and computer networks and the HS code is not enough to identify, without ambiguity, the goods listed in column 2, both the sensitive goods code given in column 4 and the HS code given in column 1 must be used.

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Annex 2: Glossary and Abbreviations

AAD	Administrative Accompanying Document	Used to cover the movement of free circulation excisable goods within the European Union (EU)
AAR	Anticipated Arrival Record	
Agreed location		Location of goods at the time of declaration (when goods are not present at the CT office/sub-place). For use by the trader only as agreed by the Customs office of departure.
Agreed location code		Code used to indicate that the goods are not present at the CT office/sub-place.
Approved Container / Vehicle		A container or vehicle that has been built, equipped and approved to meet specific standards of construction and security as laid down in the TIR Convention.
CCTO	Central Community Transit Office, Custom House, Main Road, Harwich, Essex. CO12 3PG	Described as the 'competent office', the CCTO controls the data associated with the CT and TIR procedures and the enquiry procedure for the UK
Container		Article of transport equipment designed to facilitate the transport of goods by one or more modes of transport, without intermediate reloading. Defined in relevant international conventions
TIR Contracting parties		Countries that operate the TIR Convention; listed in part 3 of the TIR handbook on the UNECE website. http://www.unece.org/tir/system/tir-system-

		countries.htm
CPEI	Customs Procedures with Economic Impact	Customs warehousing (CW), inward processing relief (IPR), outward processing relief (OPR), temporary importation (TI), processing under customs control (PCC) are all CPEI procedures
COL	Customs Office List	Held on the Europa Website on the following link: http://ec.europa.eu/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
CSP	Community Service Provider	CCS(UK), FCPS and CNS are local CSPs that facilitate the use of UK simplified transit procedures at UK (air)ports and ports
CTLOs	Community Transit Liaison Officers	Regional Customs officers who have responsibility for disseminating transit information, training and ensuring the implementation of operational CT measures
Common transit country		A country outside the EU which is a Contracting Party to the Convention on a Common Transit Procedure.
Contracting Parties		Contracting Parties to the Convention on a Common Transit Procedure. Contracting Parties are the EU, EFTA countries (Iceland, Norway, Switzerland, Liechtenstein), and Turkey.
Customs sub-place		Any place designated, approved and controlled by a Customs office of departure or destination for the presentation and examination of goods, for the purpose of commencing or ending a transit movement at that office.
Declarant		Any person making a Customs declaration
DEP	Designated Export Place	
EDI	Electronic Data Interchange	Traders who use EDI may be granted authorisation to use certain simplified CT

		procedures
ETSF	External Temporary Storage Facility	A Temporary Storage facility which is located outside the customs-controlled area of the UK's frontier (air)ports.
Frontier Office		For TIR Carnet purposes, the Customs office through which goods enter or leave the EU.
GMS	Guarantee Management System	System on NCTS that manages CT guarantee information

National Guarantee Associations		Organisations approved by Customs Authorities of Contracting Parties to administer TIR Carnets to transport operators
IRU	(Union internationale des routiers)	International Road Transport Union who administer the TIR Carnet and guarantee system with National Guarantee Associations.
Lol	List of Items	Part of the transit declaration (IE015)
NCH	National Clearance Hub	Centralised Entry Processing Unit in Salford. It has replaced all other EPUs and the National Centralised Clearance Centre.
NES	National Export System	The UK system that enables exporters/agents to send their export declarations to Customs electronically
NIRU	National Import Relief Unit email: NIRU	The UK Customs authority responsible for the issue and certification of the T5 in respect of certain import reliefs
Offices en route		Frontier offices through which the TIR movement passes on the journey to its destination. The Carnet and the container/vehicle must be presented at each frontier office en route
Offices of entry or exit		Customs office where the TIR movement enters or leaves a country.

RPA	Rural Payments Agency www.rpa.gov.uk	The authority responsible for CAP schemes in the UK Tel: 0191 226 5050
'Special' territories		Territories that form part of the Customs territory of the EU but not part of the fiscal (VAT and Excise) territory. These are: the Åland Islands; the Canary Islands; the Channel Islands; French Guiana; Guadeloupe; Martinique; Mount Athos and Reunion.
TIR	Transport Internationaux Routiers	
UK-CS	UK Central Services	NCTS enrolment and helpdesk, based in Harwich. Tel: 01255 244709

Annex 3: Transit forms and letters

Commission CT form No	Form/Letter	UK form No.
TC 10	Transit advice note	C 1128
TC 11	Official receipt	C 1129
TC 12	Authorisation to issue a shipping company's manifest retroactively.	C 73
TC 20	Enquiry notice to office of destination	C 1132
TC20A	Sending of information / documents related to NCTS movements	
TC 21	Community/ Common transit verification	C 1134
TC 21A	Request for verification of declared status	C 1100
TC 22	Reminder letter to office of destination	
TC 23	Letter of information to the principal	
TC 24	Determination of the authority responsible for recovery	
TC25	Determination of the authority responsible for recovery in accordance with Article 450b IPC/Article 117(4) Appendix I Convention	
TC 30	Request for addresses	
TC 31	Comprehensive guarantee certificate	C 1141
TC 32	Individual guarantee voucher	
TC 33	Guarantee waiver certificate	C 1143
	Certificate of regular shipping services	C 1140

	UK application form for authorisation to use transit simplifications, Community status documents (T2L) and Control Copy T5 (Form C1125).	C1343
	UK application form for authorisation of a regular shipping service	C1349
Control copy T5	Control copy T5	C1125 C1124 (End-use only)

Annex 4: Specimen Warning Letter (TIR)

Transport of goods under cover of the TIR carnet - TIR Convention 1975

Carnet Number Validity date

Issued by

[*Approval Certificate number] [*Vehicle Registration number]

As part of your authorisation to use the TIR carnet procedures you agreed to comply with the minimum conditions and requirements detailed in Annex 9 Part II of the TIR Convention 1975. These included proven knowledge of applying the TIR Convention and agreement to comply with all Customs formalities required under the Convention at the offices of departure, en route and of destination.

[*Under Article 3, transport operations must be performed by means of vehicles and containers that are built and equipped to the Convention standards and approved as such.]

On the ... *date*..... the above [*Carnet / vehicle / vehicle approval certificate] did not fully meet the TIR Convention standards because
.....*Give a brief description of the alteration/error/defect*
.....

On this occasion HMRC (UK) allowed the consignment to proceed under cover of the TIR Carnet after noting our reservations on the carnet

[*and noting the vehicle defect in box 10 of the approval certificate. You are required to *restore the vehicle to a condition which justifies approval and obtain revalidation of the certificate in box 11 before the vehicle can be used for a TIR Carnet movement again / restore the certificate to the appropriate condition.* If the vehicle / approval certificate is found to be defective in future, customs will consider a full examination of the load and may forbid the movement of the goods under cover of the TIR carnet until the appropriate standard of vehicle and approval certificate is produced.]

You are required to ensure that this..... *error/defect/problem*..... does not occur again.

If the standards and procedures of the TIR Convention are not fully met your consignment is subject to examination, the load will not be allowed to continue under the TIR procedures and the competent authority of the Contracting Party where you are resident or established could revoke your authority to use TIR Carnets under Article 6 of the TIR Convention 1975.

[* *For use, as appropriate, if the vehicle / approval certificate is in error*]

Annex 5: Legal provisions for simplifications: Community/Common transit, Community status, TIR and control copy T5

Part	Legal basis
1 – 5	General conditions for authorisation – Articles 372 to 378 of Commission Regulation (EEC) No. 2454/93 and Articles 44 to 51 of Appendix I to the Convention on a Common Transit Procedure (Council Decision 87/415/EC as amended by Decision 1/2008 of the EC-EFTA Joint Committee) ('the Common Transit Convention').
3	Retention of records – Customs and Excise Management Act 1979, Sections 75A and 118A. Value Added Tax Act 1994, Schedule 11 paragraph 6. Value Added Tax Regulations 1995, regulation 31. Regulation (EEC) No 2454/93, Articles 324f, 373 and 454a. The Common Transit Convention, Appendix I, Article 45 and Appendix II, Article 19, Customs Traders (Accounts and Records) Regulations 1995. Revenue Traders (Accounts and Records) Regulations 1992.
6 – 9	Comprehensive guarantees and guarantee waivers – Article 94 of Council Regulation (EEC) No 2913/92, Articles 379 to 384 and Annex 37d Sections 21 and 22 of Commission Regulation (EEC) No. 2454/93 and Articles 52 to 57 and Annex V Sections 22 and 23 of Appendix I to the Common Transit Convention.
10	Special loading lists (Transit) – Annex 37d Section 23 of Commission Regulation (EEC) No. 2454/93 and Annex V Section 24 of Appendix I to the Common Transit Convention.
10	Special loading lists (Community status only) Article 315a of Commission Regulation (EEC) No. 2454/93 and Article 7 of Appendix II to the Common Transit Convention.
11	Use of seals of a special type – Article 386 of Commission Regulation (EEC) No. 2454/93 and Article 58 of Appendix I to the Common Transit Convention.
12	Exemption from prescribed itinerary – Article 387 of Commission Regulation (EEC) No. 2454/93 and Article 59 of Appendix I to the Common Transit Convention.
13a	Authorised consignor status (NCTS, air/sea level 1 simplified procedures, Community status, control copy T5 and shipping company's manifest transmitted by EDI) – Articles 398 to 402, Articles 324a to 324f and Article 912g of Commission Regulation (EEC) No. 2454/93. The Common Transit Convention, Appendix I, Articles 60 to 63, Appendix II, Articles 14 to 20.

Part	Legal basis
13b	Authorised consignor status (NCTS) – Articles 398 to 402 of Commission Regulation (EEC) No. 2454/93 and Articles 60 to 63 of Appendix I to the Common Transit Convention.
13c	Authorised consignor status (Community status) – Articles 324a to 324f of Commission Regulation (EEC) No. 2454/93 and Articles 14 to 20 of Appendix II to the Common Transit Convention.
13d	Authorised consignor status (T5) – Article 912g of Commission Regulation (EEC) No. 2454/93.
13e	Shipping company's manifest transmitted by Electronic Data Interchange – Article 324e of Commission Regulation (EEC) No. 2454/93 and Article 18 of Appendix II to the Common Transit Convention.
14	Authorised consignee status (CT) – Articles 406 to 408 of Commission Regulation (EEC) No. 2454/93 and Articles 64 to 66 of Appendix I to the Common Transit Convention.
14	Authorised consignee status (TIR) – Articles 454a to 454c of Commission Regulation (EEC) No. 2454/93.
15a	Goods carried by sea level 1 – Article 447 of Commission Regulation (EEC) No. 2454/93.
15b	Goods carried by sea level 2 – Article 448 of Commission Regulation (EEC) No. 2454/93.
15a	Goods carried by air level 1 – Article 444 of Commission Regulation (EEC) No. 2454/93 and Article 111 of Appendix I to the Common Transit Convention.
15b	Goods carried by air level 2 – Article 445 of Commission Regulation (EEC) No. 2454/93 and Article 112 of Appendix I to the Common Transit Convention.

Annex 6: Other information sources to accompany this supplement

European Commission Transit Manual	http://ec.europa.eu/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
Community/Common Transit and TIR	http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pagelImport_ShowContent&propertyType=document&resetCT=true&id=HMCE_PROD_009345
National Export System (NES)	http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pagelImport_ShowContent&propertyType=document&resetCT=true&id=HMCE_PROD_009741
Community Customs Code (CCC)	http://ec.europa.eu/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
Implementing provisions to the Community Customs Code (IP)	http://europa.eu.int/comm/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
Convention on a common transit procedure	http://ec.europa.eu/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
European Commission Electronic Database for Transit – Customs office list	http://europa.eu.int/comm/taxation_customs/dds/en/csrdhome.htm http://ec.europa.eu/taxation_customs/customs/procedural_aspects/transit/common_community/index_en.htm
Customs and Excise Management Act	http://www.legislation.hmso.gov.uk/legislation/uk.htm

The Customs and Excise (Transit) Regulations 1993 (SI 1993/1353)	http://www.legislation.hmso.gov.uk/legislation/uk.htm
Excise Duty Point (External and Internal Community Transit Procedure) Regulations 1998 (SI 1998/202).	http://www.legislation.hmso.gov.uk/legislation/uk.htm
Customs (Contravention of a Relevant Rule) Regulations 2003 (+ schedule of contraventions) (S.I 2003/3113)	http://www.legislation.hmso.gov.uk/legislation/uk.htm
Export (Penalty) Regulations 2003 (+ schedule of contraventions) (S.I 2003/3102)	http://www.legislation.hmso.gov.uk/legislation/uk.htm
Public Notices	Public Notices

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