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**ECONOMIC COMMISSION FOR EUROPE**

INLAND TRANSPORT COMMITTEE

Working Party on Combined Transport

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**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS  
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

**Revision of the Convention**

**Preparation of Phase III of the TIR revision process**

**Transmitted by the European Community**

## **EUROPEAN COMMUNITY VIEWS ON THE COMPUTERISATION OF TIR**

### **Computerisation of Community/common transit**

Goods moving in transit within the European Community (EC) use the Community transit procedure. This procedure, with certain modifications, is also used for goods moving in transit between countries covered by the Common transit convention: it is then known as common transit.

In recent years, Community/common transit suffered from large-scale fraud and control problems. Much of the blame was attributed to the bureaucratic and inefficient paper-based procedures. Legislative and operational reforms are being carried out and they are already having some success but the EC and other common transit countries decided that full reform could only be achieved by replacing the outdated paper procedures by a modern computerised system. Over the last few years, they have been preparing for the computerisation of Community/common transit and implementation started in May. It will continue on a phased basis until computerisation of the entire system is completed in 2003.

### **Computerisation of TIR**

TIR has had a similar history. It too has suffered from fraud and control problems which can be attributed in part to the current paper-based system. Legislative and operational reforms are being made under Phase I and II of the revision. The start of Phase III of the revision prompts the question for the EC of whether it should continue to follow the path taken by Community/common transit and introduce modern computerised procedures for TIR operations within the EC.

Detailed studies will need to be carried out before any decision can be made. If it were decided to computerise TIR procedures, the EC would use NCTS, suitably modified, rather than create an entirely new system. However, although there are many similarities between Community/common transit and TIR, there are also many differences that must be carefully evaluated. The EC must also take into account the increase over the next few years of the number of common transit countries and the enlargement of the EC: these events will have a significant impact on TIR in the EC and could influence how TIR should be computerised.

### **Comments on Informal Document No 1**

#### NCTS (paragraph 17)

The NCTS system being developed for Community and common transit is not a centralised system and does not have a single database. It is comprised of national systems linked together by a network. The system operates to a central core of rules where this is necessary for its international use but is otherwise developed on a national basis to meet national needs and applications.

Further information about NCTS is provided in the attached annex.

### Transmission of data by EDI

The EC agrees with the comments of the TIR Secretariat about the benefits of transmitting data by EDI and this approach has been followed to a great extent in NCTS. In particular, Community/common transit principals (equivalent to TIR carnet holders) will in most cases transmit their transit declarations to NCTS by EDI. This is regarded as essential for the efficient operation of NCTS and to avoid delays at borders. Given the differences between Community/common transit and TIR, such an approach is unlikely to be feasible for TIR and the EC would need to identify another acceptable solution for data input if it were to introduce a computerised system for TIR on the lines of NCTS. In this context, it would be important for the data to be made available to customs in electronic form and, in the absence of EDI links to NCTS, the EC accepts that a carnet in the form of a Smart Card is one option, for the reasons put forward by the TIR Secretariat.

Another option is the use of bar-coding: though not as sophisticated as the Smart Card, it could be cheaper and easier to implement. The EC believes that it should also be studied, together with any other options that can be identified.

The EC therefore supports the proposal of the TIR Secretariat that an electronic form of TIR carnet should be considered but suggests that any studies should also evaluate bar-coding and any other potentially suitable options that are identified. The EC wishes to point out that it will not be considering an electronic carnet in isolation but in the context of the possible computerisation of TIR procedures in the EC.

## **The "New Computerised Transit System" (NCTS)**

### **1. Introduction**

The New Computerised Transit System (NCTS) will replace the current manual procedures applied in Community and Common Transit Procedures.

Based upon a distributed architecture, which involves secured communication networks, standardised messages, coded information and the respect of existing national information technology infrastructures, NCTS will guarantee a more modern and efficient management than the paper-based system with its proven flaws.

NCTS will be applicable to movement of goods subject to Community and Common Transit within the 22 participating countries: 15 EU countries, the EFTA countries (Norway, Switzerland and Iceland) and the Visegrad countries (Poland, Hungary, Czech Republic and Slovakia).

### **2. Basic principles of NCTS**

- Procedure developed for a paperless environment;
- Information recorded only once in the system and made available to all actors concerned: Customs office of departure (OoDep), Customs office of transit (OoTra), Customs office of destination (OoDest);
- Transit data provided by operators, normally by electronic means;
- Exchange of information between administrations within the NCTS system without intervention of traders;
- Legal validity of EDI messages;
- Every NCTS movement is allocated, after formal validation and upon formal acceptance of the declaration, a unique NCTS Movement Reference Number (MRN) which uniquely identifies the movement in each departure country;
- All the required declaration data must be available in the NCTS before the consignment may be released to go to destination;
- NCTS movements are accompanied by a travelling document (AccDoc) printed by the NCTS system on the basis of information available in the Customs system;
- In NCTS, the Guarantee subsystem will return a confirmation that the guarantee is valid to cover the movement (including whether the Principal and/or his representatives are authorised to use the referenced Guarantee);
- OoDep sends AAR (Anticipated Arrival Record) to OoDest and ATR (Anticipated Transit Record) to the OoTra at the moment the consignment is released for transit;
- Diversions of traffic to both OoTra and OoDest can be handled fully automatically within the system, and require no particular action by a Customs officer.

### 3. Architecture of the system

The whole system is split into three domains of activities:

- **The Common domain:** where the messages between the counties are exchanged;
- **The National domain:** where the messages between the different national offices are exchanged;
- **The External domain:** for the messages between the trader and the competent Customs office.

The Common domain uses a closed secured network called the Common Communication Network / Common System Interface (CCN/CSI) which enables the different national applications to communicate with one another in a secured environment.

The national administrations use their own national network for their links with the customs offices. The type of network chosen differs from one country to another. The national administrations are responsible for its security. The network used by traders also differs from one country to another. Normally, larger traders have EDI connections, while smaller traders don't have any or use for example Internet connection.

### 4. Operation

A NCTS operation uses the following items:

- The transit declaration which is presented at the office of departure, usually in electronic form;
- The movement reference number (MRN), which is a unique registration number, given by the system to the declaration to identify the movement;
- The transit accompanying document, which is printed by the system and accompanies the goods from departure to destination.

Each operation generates the following messages which are all sent within the system in electronic form:

- The anticipated arrival record, which is sent by the office of departure to the declared office of destination, enabling that office to control the consignment when it arrives;
- The anticipated transit record, which is sent by the office of departure to the declared office(s) of transit to notify the anticipated border passage of a consignment;
- The notification of crossing frontier, which is sent by the actual office of transit to the office of departure;
- The arrival advice message, which is sent by the actual office of destination to the office of departure when the goods arrive;
- The control results message, which is sent by the actual office of destination to the office of departure after the goods have been checked.

## **5. State of play**

A first implementation of NCTS covering the main basic transit functions started on 10<sup>th</sup> May 2000 in 3 countries (Germany, Italy and Spain). Four other countries (Czech Republic, Netherlands, Norway and Switzerland) will start by mid-2000. This will be followed by a rollout to all countries and an extension to other transit functions until computerisation is completed in mid-2003.

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