

BPDC

NCTS Phase 5

What is changing for users and when?

Version 1_0

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Welcome

- This is the first of several webinars to prepare you for the introduction of NCTS5 on 01 July 2024. It will last for around an hour.
- This webinar will focus on the reasons for changing from NCTS4 to the NCTS5 service and the new functionality this new service will introduce.
- It will also confirm what you need to do to continue to move goods under the Common Transit Convention (CTC) when NCTS5 goes live and why it is important you are ready by 01 July 2024 to use the new service
- If you want copies of the following slides, please enter your company name and e-mail address into the chat function and we will issue shortly afterwards.

This is a Microsoft Teams Live Event where all attendees except the speakers are muted to enable the event to flow. If you have any questions, please use the chat function and we will provide answers to as many of these as we can during the Q&A session. Any frequently asked questions/answers will be published as part of a stakeholder document we will issue shortly.



Agenda

N°	Subject	What will this cover?
01	Welcome	<ul style="list-style-type: none">• Scene setting for the day
02	Background	<ul style="list-style-type: none">• What is New Computerised Transit System (NCTS) Phase 5?• What is Common Transit Convention (CTC)?• How does NCTS supports Transit?• Why we are delivering NCTS Phase 5?• What would happen if the UK Government did not introduce NCTS5?
03	The story so far	Original plan and developments
04	What will change and when?	New features for NCTS5 and when these are available Timeline for introduction of functionality
05	What do I need to do?	How you can prepare and get involved
06	Questions and Answers	Lorna Taylor will cover off questions asked in Q&A function
07	Close	Final thoughts and next steps

Background



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What is NCTS5:

- NCTS Phase 5 is an online service, that will enable the UK to manage the transportation of goods in and out of Great Britain, in line with the Common Transit Convention (CTC).
- The service will replace the existing NCTS Phase 4 service with new features, that will bring improvement for users

Why introduce NCTS5?

- The UK Government must provide the means for users to submit declarations and arrivals notifications that are compliant with NCTS5. This new service will address existing issues and pain points encountered in NCTS4.

What is our Goal

- To ensure that users can continue to declare and process transit movements in the UK

What is the Common Transit Convention (CTC)?

- The CTC is an agreement between the countries of the European Union including the [EU special territories where customs rules apply](#) and additionally, Iceland, Liechtenstein, Republic of North Macedonia, Norway, Serbia, Switzerland, Turkey and Ukraine, plus UK (GB and NI).
- On leaving the EU, the UK acceded to the CTC by agreeing to meet the legal and compliance requirements outlined in the CTC itself.
- The Common Transit Convention allows traders to:
 - Move goods more quickly
 - Benefit from duty suspension
 - Complete some customs procedures away from the border

How does NCTS support Transit?

- NCTS stands for New Computerised Transit System. This is the name used by all CTC contracting nations.
- Transit is essentially a tracking process for goods movements
- Whilst moving goods under Common Transit, duties and other charges are suspended until they are released from Transit and placed under another procedure
- The Common Transit process is initiated by Businesses submitting a transit declaration into their national NCTS system.

Who are NCTS service users?

- ✓ Mainly traders who move goods
- ✓ Agents and Intermediaries working on behalf of traders (for example Express Operators)
- ✓ Third party software developers.

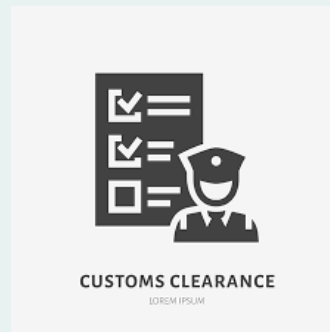
NCTS Phase 5 – Background - How do I access?

How do I access NCTS5



Can be accessed via:

- Free to use Web Portal in Gov.UK
- Commercial/specialist/3rd party software



Why we are introducing Phase 5:

- NCTS phase 5 is part of a programme of planned changes under CTC to the way Transit continues to operate for all contracting parties.
- Under the current Northern Ireland Protocol (NIP), the UK has agreed to remain aligned with the EU customs legislation – the Union Customs Code (UCC).
- If HMRC did not implement Phase 5 by 02 December 2024 then the UK would not be able to offer the Transit procedure to Traders.
- The UK are a member of the Common Transit Convention (CTC) and as such are obligated / signed up legally to operate on the latest version of NCTS

NCTS Phase 5 – Why we are doing this (continued)



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Consequences of no delivery:

- Non delivery would damage both the UK's international reputation and our ability to maintain the flow of goods
- We would fail to comply with International Obligations and the Northern Ireland protocol
- Traders and hauliers will face massive impact due to adjusted business models for delayed accounting in NCTS.
- UK ports will be critically impacted because everything would have to go through formal import procedure. No physical capacity at ports to hold goods causing blockages.
- Impact public health and welfare through likely pharmaceutical shortages.

The story so far



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NCTS Phase 5 – Current position

NCTS5 in the UK was originally due to go live on 16 November 2023 however:

- In August 2023, several National Administrations (NA's) indicated they would not be ready to meet this deadline.
- Therefore, the CTC authorities (TAXUD) took the decision to extend the transition period. This means that Final State Rules will not come into force until 00:00:01 on 22 January 2025 (GMT)
- As a result, all NA's must now be on NCTS Phase 5 (under transitional rules) by 02 December 2024 before Final State Rules apply.
- HMRC held discussions with key external stakeholders around these developments and the existing go live date. A decision was taken to provide industry with more time to be ready to use NCTS5. This decision was communicated in [October 23](#).
- The UK will now go-live with NCTS5 on the 01 July 2024 – the service will operate under transitional rules until Final State Rules apply from 00:00:01 on 22 January 2025 (GMT).
- Feedback from external stakeholder groups around the extension has been overwhelmingly positive as this provides additional time to ensure CTC users are ready.

NCTS Phase 5 – The story so far – what is going to change?

NCTS5 will introduce new functionality to CTC and resolves many pain points encountered in the past:

- **Electronic presentation of Movement Reference Number (MRN)** — allows for the presentation of Transit Accompanying Documents (TADs) via: electronic means such as phone or tablet (managed by each National Administration)
- **Commodity codes** – there will be a Mandatory requirement to enter a commodity code on a transit declaration, which will allow for greater transparency in Transit data reporting.
- **Amendments** – NCTS5 provides the ability to amend pre-lodged declarations either via: 3rd party software or web portal (currently if an amendment is needed a new declaration is required).
- **Office of Incident** - the ability to report incidents (enroute) to a customs office, for real-time reporting directly into NCTS5
- **Multiple House Consignments** - will allow the user to send multiple grouped items with more than one consignor and consignee within the same declaration. This will accommodate up to 99 house consignments, each with 999 line items, within 1 declaration. However, there is an overall cap of 1999 line items per declaration.

Whilst NCTS5 will need to be used from 01 July 2024 not all functionality/features will be available and/or mandatory until 00:00:01 on 22 January 2025 (GMT).

What will change and when?



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NCTS Phase 5 – What will change on 01 July 2024

01 July 2024 (Transition)	What this means?
<p>Amendments –NCTS5 will provide the ability to amend pre-lodged and/or rejected declarations</p> <p>Current Phase 4 capabilities mean the declaration must be cancelled and re-submitted if an amendment is required</p>	<p>NCTS5 will allow declarants to amend pre-lodged and/or rejected declarations after they've been submitted. This means if you need to make an amendment, you can go back into the declaration and make changes without starting a new declaration.</p> <p>This cuts down on the administrative burden for traders and allows a declaration to be amended.</p>
<p>Commodity codes - you will be able to enter a commodity code of up to 6 digits into NCTS5 on a voluntary basis.</p>	<p>This feature is available from 01 July 2024, however It will not be mandatory to use until 00:00:01 on 22 January 2025 (GMT).</p> <p>Even though this is not mandatory, we encourage you to get used to the new requirement and enter commodity codes from 01 July 2024</p>

NCTS Phase 5 – What will change from 00:00:01 on 22 January 2025 (GMT)



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From 00:00:01 on 22 January 2025 (GMT) (Final State Rules)	What do I do during the transitional period?
<p>Electronic presentation of Movement Reference Number (MRN) –Transit Accompanying Documents (TADs), the MRN can be presented via: a phone, tablet or other electronic means (managed by each National Administration)</p> <p>When we move to final state, from transitional state (00:00:01 on 22 January 2025 (GMT)) there will be a different TAD layout. This is to accommodate some of the new functionality being implemented with NCTS5. Third-party software developers have been provided with this information and are building their software to the required specification</p>	<p>Until NCTS5 is used by all Common Transit Convention member countries, there will still be a requirement to carry the paper Transit Accompanying Document (TAD) with goods.</p>
<p>Office of Incident – the ability to report incidents (enroute) to a customs office, for real-time reporting directly into NCTS5</p> <p>There will be a new customs ‘Office of Incident’ role which means incidents will be recorded as they happen, at the nearest applicable customs office, as opposed to the current process whereby you need to wait until arrival at the Office of Destination which can cause delays.</p> <p>In the UK, all Office of Departure, Destination and Transit locations will carry out these duties. You can find a list of customs offices on the Europa Website</p>	<p>During Transition hauliers will continue to record the details of any incidents that happen during the journey onto the paper TAD as they do now. Post Transition the new ‘office of incident’ function can be used to record incidents in real time during the journey avoiding delays on arrival at ‘office of destination</p>

NCTS Phase 5 – What will change from 00:00:01 on 22 January 2025 (GMT)

From 00:00:01 on 22 January 2025 (GMT) (Final State Rules)

Multiple House Consignments - will allow the user to send multiple grouped items with more than one consignor and consignee within the same declaration.

This will accommodate up to 99 house consignments, each with 999 line items, within 1 declaration. This will accommodate a maximum of 1999 line items.

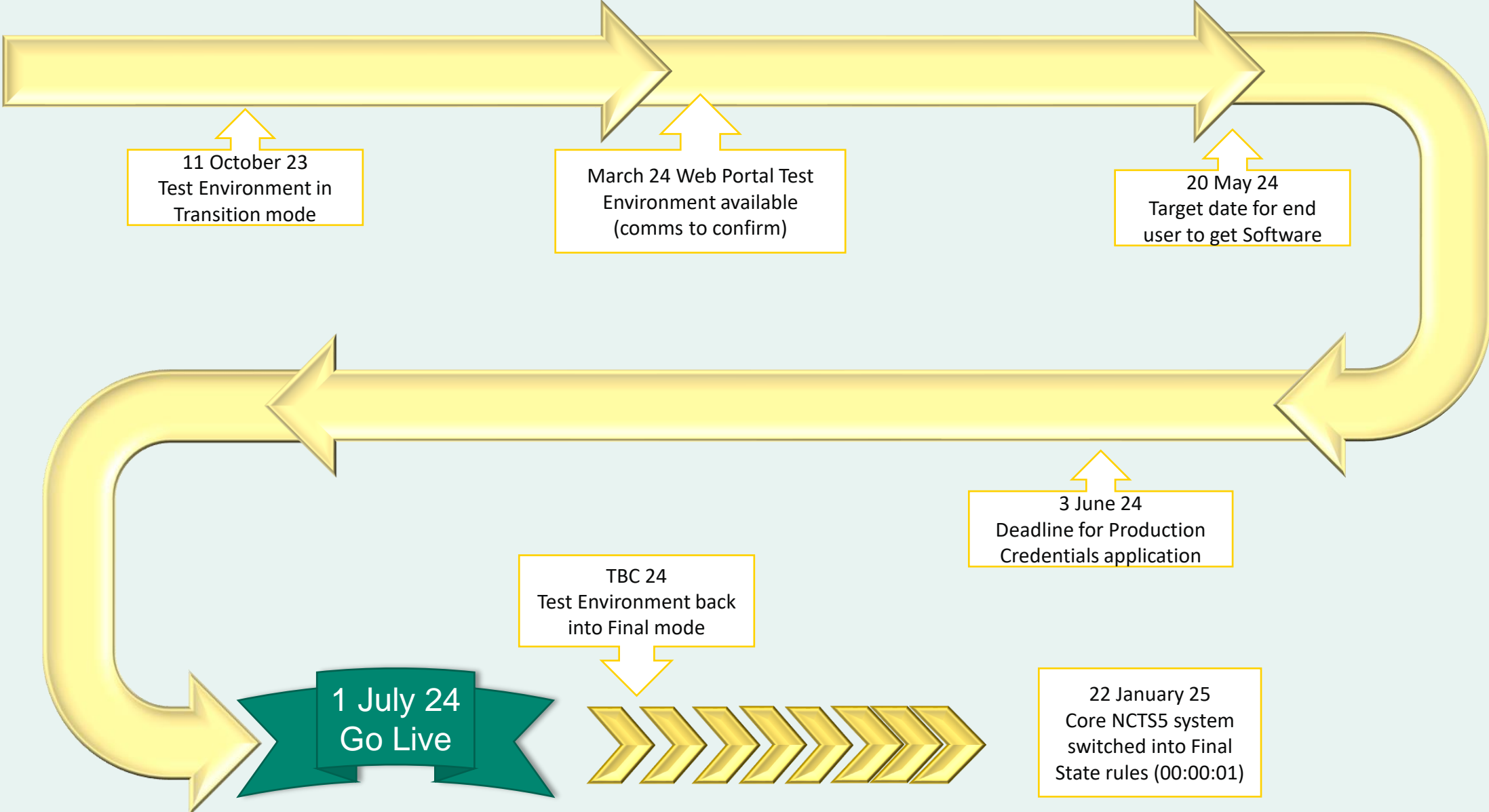
From 00:00:01 on 22 January 2025 (GMT) if there are multiple Consignors or Consignees, these will need to be supplied at the House Consignment level and should apply to goods declared in their respective House Consignment.

You can declare up to 99 House Consignments, and so up to 99 Consignors or Consignees. Each House Consignment can contain up to 999 line items; however, the declaration may not contain more than 1999 line items in total.

What do I do during the transitional period?

From 1 July 2024 you will no longer be able to enter multiple Consignors at Consignment level so you will need to leave the Consignor details empty and continue to enter all of your Consignee information at item level, as you do now.

High-level roadmap of key dates



What do I do next?



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NCTS Phase 5 – What do I need to do?

- Whether you are a trader, agent, intermediary or any other entity that uses CTC, you will need to start submitting your transit declarations on NCTS5 from 1 July 2024
- We will advise the exact time of the cutover from NCTS4 to NCTS5 closer to the time
- Whether you use commercial software or the free-to-use web portal via the Government Gateway to submit your transit movements, you'll need to make sure you're using an up-to date subscription from 1 July 2024
- You can find more information on [Gov.uk](https://www.gov.uk)
- If you use commercial software to submit your transit movements, we are supporting your software developer to prepare for NCTS5. They will be able to advise you how and when you can obtain the new software
- It is recommended you have your new software by the beginning of May to familiarise yourself with the new features. In order to continue using transit when we switch to NCTS5, third-party software must be tested and approved before 1 July 2024

Important!

- All 3rd party software developers must have approved Production Credentials for using Transitional rules, before their software can be used from 1 July 2024. .
- If Production Credentials are not granted by 01 July 2024, 3rd party software will not be able to be used until Final state rules are in force from 00:00:01 on 22 January 2025 (GMT).
- It would still be possible to submit CTC movements if this deadline is missed, however these would need to be made via: the free Web Portal on Gov.UK.

NCTS Phase 5 – Get involved – Web Portal Trader Test



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Phase 5 of the NCTS web portal is almost ready and traders and agents can be the first to try it.

Ahead of its launch in July 2024, we're offering web portal users the chance to try NCTS Phase 5 and tell us what they think. It's an opportunity to influence the design of the service and make it better for everyone.

The Phase 5 web portal is free to use and available to traders and agents who don't have access to third-party software or who use a combination of the web portal and software.

What's involved

You can either try the service with us on a 90-minute call - or you can do it on your own, whenever you have the time.

Anything you tell us will be confidential.

NCTS Phase 5 – Get involved - Trader Test



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Who we want to talk to

We're looking for traders or agents who:

- Send departure declarations
- Send arrival notifications
- Have invisible disabilities, like low vision, dyslexia, ADHD or autism
- Use tools or aids to help with difficulties or disabilities - like text-to-speak devices, specially designed keyboards or applications that change the font size

How to register your interest

If you're interested in taking part, [complete this registration form](#) and we'll send you a Test Pack. This will have all the information you need and help you make the most of your test.

Any personal information you share will only be used to contact you about testing.

Questions and Answers (Lorna Taylor)



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Close and next steps



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NCTS Phase 5 – Thanks for joining us



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- Thank you for joining today's webinar – we hope you found this informative and useful
- We will issue this presentation shortly after today's call and will provide answers to frequently asked questions very soon afterwards
- Please watch out for further communications and webinars as we head towards our go live date
- Our next planned communications are expected to be issued later in March where we will provide more information around Multiple House Consignments and Electronic MRNs
- We will support those communications with a further webinar late March/early April to cover these subjects in more depth.