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Working document

## **TRANSIT MANUAL AMENDMENT**

### **Goods carried by rail**

The following amendments are inserted in the Transit Manual and will apply as of 1 May 2019:

**In the introductory part of the Transit Manual, the following term is added to the 'List of definitions' and is inserted according to the alphabetical order:**

Third country : any country which is not a Member of the EU and not a Contracting Party to the common transit convention

**In Part VI – Simplifications, section 3.5 is added as follows:**

## **3.5 Goods carried by rail**

### **3.5.1 Simplifications applicable to transit procedures by rail**

Rail freight transport has been liberalised in the EU since the start of 2007, for both national and international services. Freight transported by rail under liberalised conditions has to follow the same standard transit procedure as for any other transit movement. It should take place under cover of a standard transit declaration using the NCTS as described in detail in Part IV or another transit procedure described in Part I section 4.2 as for any other transit movement.

Below section 3.5.2 indicates however certain rail-dedicated particularities when the standard procedure is used.

Notwithstanding the liberalisation of the rail freight transport, during a transitional period, a special 'paper-based transit procedure for rail' can still be applied until the NCTS has been updated in accordance with the UCC Work Programme. However, this paper-based procedure may be used only when at least two railway undertakings are operating under the system of transport in cooperation mode, which still exists in the liberalised market, even though its use decreases. See below section 3.5.3.

Until the NCTS has been updated in accordance with the UCC Work Programme, Member States have also the possibility to continue applying other paper-based Union transit procedures. The application of this transitional provision is detailed in below section 3.5.4.

Furthermore, it is possible to move Union goods by rail from one point to another within the customs territory of the Union through the territory of a common transit country without alteration of their customs status and without placing them under a customs procedure as described in section 3.5.5.

### **3.5.2 The standard procedure for rail and its particularities**

Where goods are moved under the cover of a standard transit declaration using the NCTS as described in detail in Part IV, certain rail-dedicated variations apply.

The customs office competent for the station of departure is the customs office of departure. The customs office competent for the station of destination is the customs office of destination. In case the movement by rail started before entering the customs territory of the Union or a common transit country, the station at the customs office of first entry will be the station of departure. In case the transport by rail continues after leaving the customs territory of the Union or the common transit country without re-entry, the station at the customs office of exit will be the station of destination.

*Articles 302(2)(b), IA  
Articles 39 (2)(b), Appendix I, Convention*

By way of derogation from the general obligation to seal the consignments for identification purposes, neither the means of transport nor the individual packages containing the goods have to be sealed if the railway companies have applied identification measures.

Notwithstanding this derogation, the customs office of departure may still decide to seal the consignments for identification purposes.

*Article 304(6), IA  
Article 43(5), Appendix I, Convention*

Goods moved by rail under the Union or common transit procedure do not have to be presented at the customs office of transit at the condition that the customs office of transit can verify the border passage of the goods by other means.

Such verification should only take place when needed. The verification may take place retrospectively.

The following simplifications do also apply for goods transported by rail upon authorisation:

- the status of authorised consignor (see Part VI) and
- the status of authorised consignee (see Part VI).

### **3.5.3 Paper-based transit procedure for rail (transitional provision)**

#### **3.5.3.1 Introduction.**

*Article 24, TDA  
Articles 55(f), Appendix I, Convention*

The paper-based transit procedure for goods carried by rail is a transitional procedure that entails the use of the paper-based CIM consignment note as transit declaration for goods carried by authorised railway undertakings. It can be used until the deployment of the updated NCTS (phase 5) <sup>1</sup>.

The update of NCTS phase 5 includes features which facilitate the lodging of the customs transit declaration for rail transport. Consequently, once the NCTS phase 5 update has been deployed at the customs office of departure, the standard transit procedure based on NCTS described in Part IV applies.

The possibility of the use of the paper-based CIM consignment note as a transit declaration is optional. A railway undertaking can opt to use the standard transit procedure based on NCTS. In that case, the CIM consignment note serves only as a transport document and all standard transit provisions apply as described in Part IV and the above section 3.5.2.

The standard transit procedure also applies if the electronic form of the CIM consignment note would be used instead of the paper-based form. The data of an electronic transport document used by railways as a transit declaration will be processed by NCTS.

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<sup>1</sup> In accordance with the [UCC Work Programme](#)

### 3.5.3.2 Conditions for the use of the paper-based CIM consignment note as transit declaration.

*Article 30, TDA  
Article 91, Appendix I, Convention*

In order to make use of the CIM consignment note as a transit declaration for Union or common transit, the following conditions must be met.

1. The goods are carried by a railway undertaking in accordance with the Convention concerning International Carriage by Rail (COTIF) of 9 May 1980 in the version of the Protocol of Modification of 3 June 1999.
2. The railway undertakings carrying out the transport operation in the customs territory of the Union or common transit countries are authorised railway undertakings, or some of them hold a national authorisation as a so-called 'intermediate railway undertaking'.

*Article 32(1), TDA  
Article 94(1), Appendix I, Convention*

3. The goods are successively taken over and carried by different authorised railway undertakings on the national scale, whereby carriages from and to the nearest station in a neighbouring territory as agreed between the carriers are possible.
4. The involved railway undertakings declare to be jointly liable to the customs authority for any potential customs debt (import duties and other charges).

*Articles 29 and 32(3), 41(1)(2), TDA  
Articles 92(2) and 94(3), Appendix I, Convention*

5. The railway undertakings, through their Accounting Offices, in cooperation with each other operate a commonly-agreed system to check and investigate irregularities of their movement of goods. (see also below section 3.5.3.5.1 - The functioning of the accounting offices)
6. The railway undertakings are responsible for:
  - (a) the separate settlement of the transport costs,
  - (b) the breakdown of the transport costs per country,
  - (c) the payment of the respective share of the costs, and
  - (d) a system to check and investigate irregularities.

The competent customs authority has access to the data in the accounting office of the respective railway undertaking.

The paper-based procedure cannot be used where:

- **only one carrier** is involved in the transport, or

- a **carrier is carrying** the goods **beyond the national territory** with the exception of carriages from and to the station in the neighbouring territory as agreed between the carriers (see above point 3), or
- a **carrier does not meet a requirement** of the simplified procedure unless he is authorised as a so-called intermediate railway undertaking<sup>2</sup> (see above point 2).

In all these cases the standard transit procedure applies and the CIM consignment note only serves as a transport document.

For more specific cases and examples on the use of this simplified procedure see section 3.5.3.7 below.

### 3.5.3.3 Authorised Railway Undertakings

The authorisation for the use of the paper-based rail procedure is a customs decision upon application.

This means that the general rules of the customs decisions as described in [Part VI](#) apply, unless otherwise specified. Note, however, that the electronic system CDS is not used for lodging, granting and managing this type of decisions. Customs authorities will have to inform each other by other means and the Commission can facilitate this process. Therefore, administrations will inform the Commission about their decisions concerning authorised railway undertakings. The Commission will publish and update the information in [Annex 2](#) to the working document TAXUD/A2/TRA/02/2019 on the CIRCABC Transit<sup>3</sup> interest group.

The application shall be lodged with the customs authority competent for the place where the applicant's main accounts for customs purposes are held or are accessible, and where at least part of the activities covered by the authorisation are to be carried out.

The railway undertaking must fulfil the general and specific conditions, including the signing of the relevant declaration. (\*)

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<sup>2</sup> An intermediate railway undertaking may be authorised, although it does not meet all the conditions of the paper-based procedure, where a railway undertaking that is entitled to use the paper-based procedure is acting as the holder of the procedure and where the intermediate railway undertaking is neither the first nor the last carrier in the customs territory of the Union or common transit countries.

<sup>3</sup> The access to the CIRCABC Transit interest group is limited to the national customs administration involved in transit and the customs status of goods. To access the group, contact your national transit coordinator. Limited access is also provided to railway undertakings through CER.

## General conditions

*Article 11, DA  
Article 29(1)(a), TDA  
Article 57(4) and (6), Appendix I, Convention*

- The applicant is registered and has an EORI number if established in the EU.
- The applicant is established in the EU or a common transit country.
- Customs considers it will be able to supervise the transit procedure and carry out the controls without a disproportionate effort.

## Specific conditions

*Articles 25 (1), 29(1)(b), 32(1), TDA  
Articles 57(4), 92(1) and 94(1), Appendix I, Convention*

- The applicant is a railway undertaking.
- The applicant regularly uses the Union or common transit procedure or the customs authority knows the applicant can meet the obligations under these procedures.
- The applicant has not committed any serious or repeated offences against customs or tax legislation.
- The applicant keeps records which enables the customs authority to carry out effective controls.
- The railway undertaking declares to be jointly liable to the customs authority when involved in the transportation of the goods under the paper-based transit procedure for rail.(\*)

(\*) The declaration sets out the accepted principle that irregularities discovered during the application of the paper-based transit procedure can be resolved between the competent customs authority and the responsible railway undertaking of the country where the irregularity is deemed to have occurred. The responsible railway undertaking agrees to be liable and to be the first to be asked for the payment of any customs debt (import duties and other charges). A model declaration can be found in Annex 1 to the working document [TAXUD/A2/TRA/02/2019](#).

*Articles 39 and 41(3), TDA  
Articles 92(3 and 97(3)), Appendix I, Convention*

Where applicable, customs will determine :

- the arrangements for the movements of Union goods (see 'Note' in section 3.5.3.4.4);
- the arrangements for the use of guarantees;

- the modalities to be respected at the accounting offices for the purpose of supervising the use of the CIM consignment note as transit declaration.

*Article 25(2), TDA  
Articles 56(4), Appendix I, Convention*

The authorisation is applicable in all Member States and in all common transit countries insofar as authorised or intermediate railway undertakings are established in the respective country.

Nevertheless, the authorised railway undertaking can only operate at its respective national scale, with the exception of carriages from and to the station in a neighbouring territory as agreed between the carriers. (see also 3.5.3.2)

*Article 22(4), UCC  
Article 64, Appendix I, Convention*

The authorisation takes immediately effect.

*Articles 22(5) and 28, UCC  
Article 64, Appendix I, Convention*

In general, the authorisation can be valid without limitation of time and as long as the railway undertaking fulfils all criteria and conditions. However, note the following particularities:

- The procedure can no longer be started in an EU Member State or common transit country as soon as NCTS phase 5 is deployed in that EU Member State or common transit country (see also 3.5.3.1 - Introduction).
- The authorised railway undertakings of these countries may continue to participate as intermediate or receiving railway undertaking.
- All authorisations will cease to be valid as from the moment NCTS phase 5 is deployed in all the EU Member States and common transit countries.

#### **3.5.3.4 The procedure for the use of the paper-based transit procedure**

[Figure 1 below](#) illustrates the transit procedure when the CIM consignment note is used as transit declaration for goods that move from one point in the EU or common transit country to another point in the EU or common transit country.

For a full understanding of the applicable rules and the possible variations, the full text of all subsections should be read.

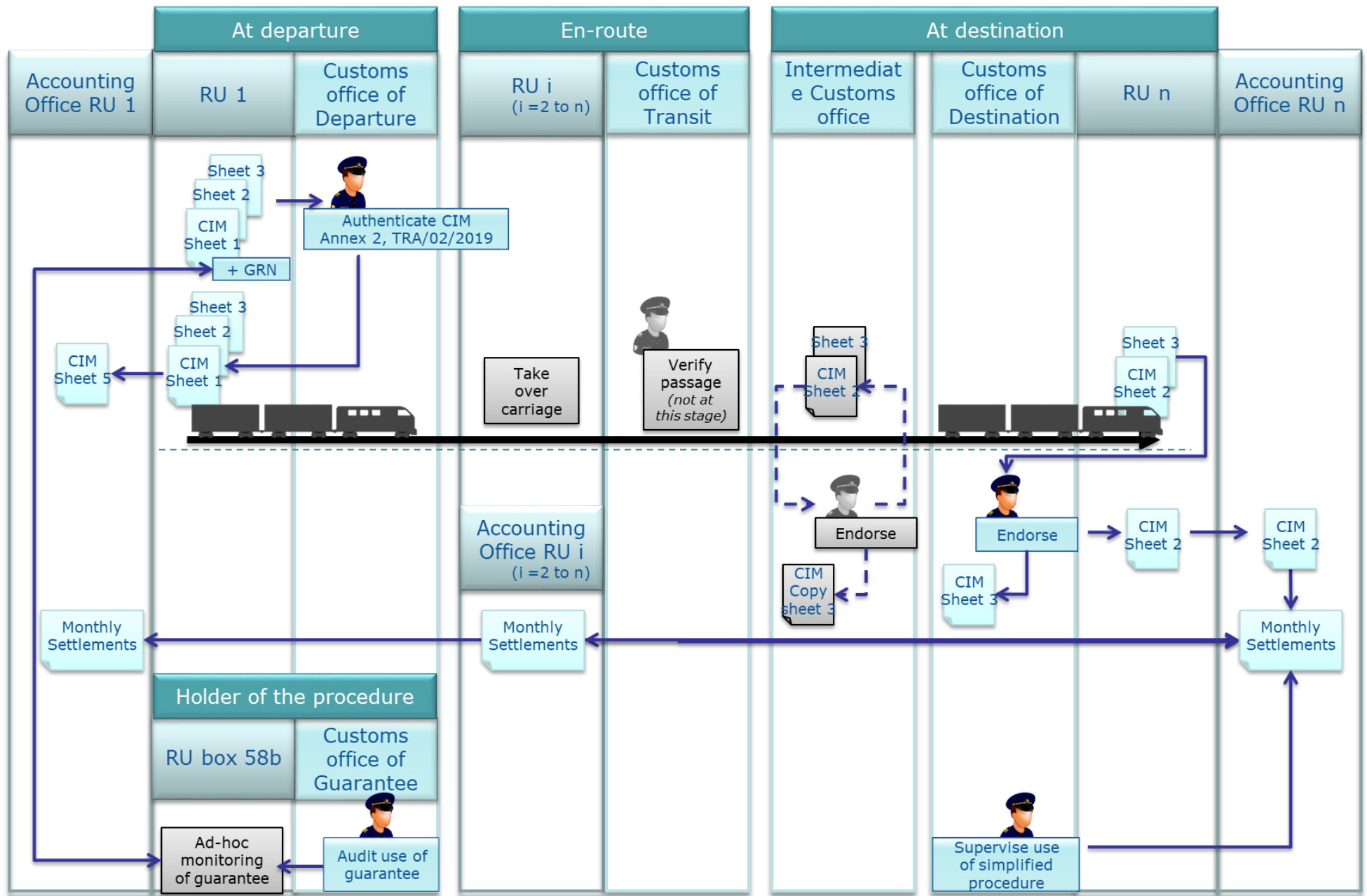


Figure 1: Illustration of the paper-based transit procedure for rail



### 3.5.3.4.1 The CIM consignment note as transit declaration

*Articles 6 and 7 COTIF*

The International Rail Transport Committee (CIT) has established in agreement with the customs administrations and the European Commission<sup>4</sup> a model CIM consignment note, a model CIM/SMGS consignment note and a model CIM consignment note Combined Transport. These forms are available at <http://www.cit-rail.org>

The CIM consignment note may also be used as a CUV wagon note<sup>5</sup>. In such case, the box "CUV wagon note" in box 30 is to be ticked. This use concerns the transport of empty wagons, which are carried as means of transport. The empty wagons are not to be placed under common/Union transit, unless they are not yet customs cleared. Therefore, the use of the model as CUV wagon note is not relevant for customs transit.

Likewise, the CIM consignment note for Combined Transport and the combined consignment note CIM/SMGS have no different relevance for customs transit and for this purpose shall be treated as a CIM consignment note. In the following paragraphs all references to the CIM consignment note also apply to the combined consignment note CIM/SMGS and to the CIM consignment note Combined Transport. The references to boxes of the form in this section relate all to the CIM consignment note. The corresponding box references for the other consignment notes are listed in a conversion table in Annex 8.11.

Although the customs authorities and the Commission are not responsible for the forms, they can serve as customs transit declaration. Therefore, these forms cannot be changed without the prior agreement of the customs authorities and the Commission.

### 3.5.3.4.2 The holder of the procedure

*Article 5(15),(35), UCC, and Article 31 (1), TDA, and Article 170(2), UCC  
Articles 3(e) and 93 Appendix I, Convention*

- The **holder of the procedure** is the declarant as indicated in box 58b of the CIM consignment note.

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<sup>4</sup> See working documents TAXUD/1862/2003, TAXUD/1950/2003 and TAXUD/1960/2003, the latter being approved at the 102<sup>nd</sup> meeting of the EC-EFTA Working Group on 10 December 2003.

<sup>5</sup> CUV means the Uniform Rules concerning the International Transport of Wagons.

- Given the particular position for organising the carriage of goods and thus his contacts with and his knowledge about the other carriers it is the contractual carrier (box 58a) who has generally to apply for the use of a paper-based transit procedure for rail in accordance to Articles 5(35) and 170 UCC. Thus, in general, the contractual carrier is the holder of the procedure.
- However, the holder of the procedure **must be established in the EU or in a common transit country**. When the transport operation starts outside the customs territory of the Union or a common transit country and the contractual carrier is not established in the EU or in a common transit country, then any other authorised railway undertaking involved in the transportation and established in the EU or in a common transit country, can be indicated with its consent in box 58b as the holder of the procedure. Given the requirement to present the goods at the customs office of departure within the customs territory of the Union or in a common transit country, the holder of the procedure will, in general, be the first carrier at the entry in the customs territory of the Union or common transit country.

Thus, in this case, the contractual carrier (box 58a) will apply for the 'paper-based transit procedure for rail' on behalf of the holder of the procedure (box 58b).

#### **3.5.3.4.3 Completing the CIM consignment note as a transit declaration.**

*COTIF Article 12(2) Appendix B*

The railway undertaking who accepts to carry the goods in accordance with the COTIF (the contractual carrier indicated in box 58a) must complete the CIM consignment note and provide all the data as set out in Article 13 COTIF. A CIM consignment note must be issued for each consignment.

The use of a CIM consignment note does not automatically entail that a railway company uses the paper based transit procedure for rail. Therefore, it is mandatory to confirm the use of the CIM consignment note as transit declaration in box 58b.

If the contractual carrier is not the holder of the procedure, this means that the contractual carrier is completing the CIM consignment note as transit declaration on behalf of the holder of the procedure.

While the CIM consignment note does not contain a particular box where the HS Code could be entered in the cases where it is required in Union/common transit, the

railways' own 6-digit NHM code is entered in box 24 and this code corresponds, in the vast majority of the cases, to the HS Code.

Furthermore, the CIT Manual on the CIM consignment note gives the instruction that the HS Code is to be given in box 21 when required by customs law.

Where an individual guarantee is used or the comprehensive guarantee is supplemented with an additional guarantee, this information should be indicated in the CIM consignment note with the guarantee type and GRN number, if applicable. (See also below section 3.5.3.6.)

*Article 34 and Annex 11, TDA*

*Article 105, Appendix I and Annex B, Appendix III, Convention*

In case the CIM consignment note covers more than one wagon, the loading list may be used.

The loading list will include the wagon number or container number.

T1 and T2/T2F movements must be made out on separate loading lists. In this case, the serial number of the loading list will be entered in the box reserved for the description of the goods on the CIM. For more information on these codes, see Part I.

The original loading list should be authenticated with a stamp of the station of dispatch.

#### **3.5.3.4.4 Formalities at departure**

*Article 31 (2), TDA*

*Article 93(2), Appendix I, Convention*

- The **holder of the procedure** is responsible for the fact that all involved railway undertakings fulfil the conditions with regard to the use of this simplified procedure.

*Articles 32(2) and 33(1), TDA, and Articles 233(1) and (2), UCC*

*Article 8, Appendix I, Convention*

- The **holder of the procedure** must:
  - (a) present the CIM consignment note and the goods at the customs office of departure, unless indicated otherwise (see below note);
  - (b) present the loading list if applicable (see section 3.5.3.4.3);
  - (c) comply with the customs provisions relating to the procedure;
  - (d) provide an appropriate guarantee for the whole itinerary (see also below section 3.5.3.6.).

- The **customs office of departure** should check whether the holder of the procedure is an authorised railway undertaking and if a guarantee is in place. The customs office of departure may use [Annex 2](#) to the working document TAXUD/A2/TRA/02/2019 as source for verification for this purpose.

The Annex 2 contains only the confirmation that the authorised railway undertaking is also authorised to use a comprehensive guarantee for the paper-based transit procedure. See section 3.5.3.6.2 for the modalities to follow in the case of the use of an individual guarantee.

*Article 33, TDA  
Article 97(2) Appendix I, Convention*

- The **customs office of departure** indicates clearly on the sheets 1, 2 and 3, in box 99 of the CIM consignment note , reserved for customs, the code as follows, unless indicated otherwise (see below note):

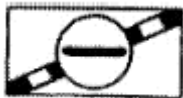
- (a) T1: for external transit
- (b) T2: for internal transit
- (c) T2F: for internal transit (special fiscal territory)

The codes T2 and T2F must be authenticated with the customs stamp. For more information on the use of the codes T1, T2 and T2F, see Part I.

All sheets are to be returned to the railway undertaking.

*Article 33 (4) and Annex 10, TDA  
Article 95, Appendix I and Annex B11, Appendix III, Convention*

The **holder of the procedure**, when necessary, ensures that all goods transported under this simplified procedure are identified by a label or stamp with the appropriate pictogram, unless indicated otherwise (see below note):



The labels/stamps are to be affixed to or printed on the CIM consignment note.

The labels/stamps are to be affixed to the relevant wagon in the case of full load or to the individual package(s).

*Article 302(2)(b), IA  
Article 98, Appendix I, Convention*

Unless otherwise decided by the customs office of departure neither the means of transport nor the individual packages containing the goods must be sealed by customs as the identification measures applied by railways are generally considered to be sufficient.

**Note**

Note on the requirement to present the goods, indicate the codes T1/T2/T2F and affixing the label/stamps.

As a general rule, the codes T1, T2 or T2F are presumed in function of the country code in box 62. For example, country code 80 for Germany implies that the T2 procedure is used. If the procedure and the country of departure (on the CIM consignment note) do not match, then the code of the procedure must be clearly indicated. In the case of the T2/T2F code, these must be authenticated to be valid.

From	Via	To	Goods	Code (sheet 1 to 3)	Pictogram	Present
<i>Article 33(1)(2) and (4), TDA Article 97(1) and (2), Appendix I, Convention</i>						
EU	Any	EU	Non-Union	Indicate T1	Required	Required
<i>Article 39(1) and (2), TDA Article 97(3), Appendix I, Convention</i>						
EU	CTC <sup>(1)</sup> 3 <sup>rd</sup> country <sub>(2)</sub>	EU	Union	Presumed T2/T2F	Not required	Not required
<i>Article 36(5), TDA</i>						
EU	Any	CTC 3 <sup>rd</sup> country	Union or non-Union	Indicate T1 Endorse T2/T2F	Required	Required
<i>Article 97(4) and (6)), Appendix I, Convention</i>						
CTC	Any	Any	Non-Union	Presumed T1	Required	Not required
			Union	Endorse T2/T2F (sheet 3)	Required	Required
<i>Article 38 and 40, TDA</i>						
3 <sup>rd</sup> country	Any	3 <sup>rd</sup> country	Non-Union	Presumed T1	Required	Not required
			Union	Presumed T1, unless PoUS	Required	Not required
<i>Article 33(5) and 40, TDA</i>						
3 <sup>rd</sup> country	Any	EU	Non-Union	Presumed T1	Required	Not required
			Union	Presumed T1, unless PoUS	Required	Not required

*Article 39(1), TDA*

*Article 97(3), Appendix I, Convention*

- (1) Each Member State shall determine the conditions and arrangements for the situations where Union goods are moved from one point to another point in the EU through a common transit country. (See also 3.5.3.3)

*Article 39 (2), TDA*

*Article 97(3), Appendix I, Convention*

- (2) Each Member State shall determine the modalities for the situations where Union goods are moved from one point to another point in the EU through a third country. Although such a movement is generally only possible for T1 procedures, rail transport is an exception and it may be also applied for T2 procedures under this paper-based transit procedure for rail. The customs transit procedure is suspended outside the customs territory of the EU (See also 3.5.3.3). Alternatively, a proof of Union status could be used.

#### **3.5.3.4.5 Specific situations at departure**

##### **Movement starts from a third country**

*Articles 33(5) and 38, TDA*

*Article 102, Appendix I, Convention*

If the movement starts outside the customs territory of the Union or a common transit country, the customs office competent for the border station through which the goods enter the customs territory of the Union or the common transit country should act as the customs office of departure.

The carrier is bound to the provisions governing the entry of goods in the customs territory of the Union or the common transit country and the customs authority maintains the right to control those goods.

##### **Modification of the contract carriage:**

*Article 37, TDA*

*Article 96 Appendix I, Convention*

If the contract is modified in such way that the transport ends outside instead of inside the EU or the originally intended common transit country or vice versa, such movement should not be performed without the prior consent of the customs office of departure.

In all other cases, the modified contract may be performed by simply informing without delay the customs office of departure.

**Authorised consignor:**

*Article 43, TDA  
Article 107(11), Appendix I, Convention*

If the first railway undertaking is an authorised consignor, then the goods and CIM consignment note do not have to be presented to the customs office of departure.

Nevertheless, this customs office must take the necessary measures to ensure that the sheets 1, 2 and 3 bear the code T1, T2 and T2F, as applicable.

For more information on 'authorised consignor', see Part VI.

**3.5.3.4.6 En-route**

**Obligations of all involved railway undertakings (box 58b + 57)**

*Article 32 (2), TDA  
Article 94(2), Appendix I, Convention*

All involved railway undertakings are responsible for the proper application of the use of this paper-based procedure.

**At the customs offices of transit**

*Article 35, TDA  
Article 99, Appendix I, Convention*

No formalities need to be carried out at the customs office of transit. However, the border passage will be verified through the control of the accounting offices as further elaborated in section 3.5.3.5.2 or through other means or another system (e.g. system of the railway infrastructure manager).

When goods are transported through a third country, the procedure is considered as suspended in that third country.

Nevertheless, customs formalities related to the entry or exit of the goods in or out of the customs territory of the Union or a common transit country remain applicable and the customs authority maintains the right to control those goods. These formalities concern the so-called safety and security rules based on the WCO SAFE Framework of Standards as stipulated in Article 46 UCC.

**Formalities in case of incidents**

*Article 305, IA  
Article 44, Appendix I, Convention*

In the case of incidents during movements of goods under Union/common transit operations as described in Part IV, Chapter 3, section 3.1, the same procedures apply. However, bearing in mind the particularities of this paper-based transit procedure for goods carried by rail, a reporting procedure should be followed as instructed in the CIT Manual (CIM Article 42 – Ascertainment of partial loss or damage, CIT form 20).

The provisions of Article 305 UCC IA and Article 44 of Appendix I of the Common Transit Convention apply mutatis mutandis to transport under the paper-based transit procedure for goods carried by rail.

#### **3.5.3.4.7 At destination**

*Article 36 (2), TDA  
Article 100(2), Appendix I, Convention*

The customs office competent for the station at destination as indicated on the CIM consignment note will act as customs office of destination.

*Article 36 (1), TDA  
Article 100(1), Appendix I, Convention*

The **railway undertaking** carrying the goods at destination will present to the customs office of destination:

- the goods and
- sheets 2 and 3 of the CIM consignment note.

The **customs office of destination** will:

- stamp and return sheet 2 to the railway undertaking and
- keep sheet 3.

*Article 41(3), TDA  
Article 92(3), Appendix I, Convention*

The **railway undertaking** must make all CIM consignment notes (sheet 2) available at their accounting office to the customs authority in the country of destination in accordance with any provisions defined by mutual agreement with this authority.

#### **3.5.3.4.8 Specific situations at destination**

##### **Movement ends in a third country**

*Articles 36(5) and 38, TDA  
Article 101, Appendix I, Convention*

If the movement ends in a third country, then the customs office competent for the border station through which the goods leave the customs territory of the Union or the common transit countries shall act as the customs office of destination.

The carrier is bound by the provisions governing the exit of goods out of the customs territory of the Union and the customs authority maintains the right to control those goods.



## **Goods have been unloaded at an intermediate station except for excise goods**

*Article 36 (2), TDA  
Article 100(2), Appendix I, Convention*

If the transportation of the goods or the transit procedure has been ended at an intermediate station or en-route, than the customs office competent for that intermediate station or the place en-route should act as the customs office of destination.

The railway undertaking carrying the goods to this intermediate station will present to the customs office of destination:

- the goods and
- sheets 2, 3 and a supplementary copy of sheet 3 of the CIM

The customs office of the intermediate station (the actual customs office of destination) will:

- stamp those sheets,
- endorse the sheets with the indication 'cleared',
- return sheet 2 and 3 to the railway undertaking and
- keep the supplementary copy of sheet 3.

The declared customs of destination may a posteriori request a verification of the endorsement made by the 'intermediate customs office' on sheet 2 and 3.

*Article 36(3), TDA*

Movements of excise goods may not be diverted. The declared departure and destination must be respected. Consequently, excise goods cannot be unloaded at an intermediate station.

## **Authorised consignee**

*Article 44, TDA*

If an authorised consignee receives the goods at the station of destination, than the goods and the CIM consignment note do not have to be presented to the customs office of destination.

The CIM sheets 2 and 3 may directly be delivered by the authorised railway or transport undertaking to the customs office of destination.

For more information on 'authorised consignee', see Part VI.

### **3.5.3.5 Supervision of movements under the paper-based transit procedure for rail.**

#### **3.5.3.5.1 The functioning of the accounting offices**

The International Union of Railways (UIC) has established accountancy and allocation regulations which are applicable to international freight traffic<sup>6</sup>. These rules, which are binding on member undertakings, cover the settlement of accounts and the division and payment of amounts payable for the movement of goods under cover of a CIM consignment note.

The accountancy regulations stipulate a standardised procedure which is to be used at the accounting offices of the railway undertakings involved in the carriage of the goods. This procedure consists of the collection and exchange of the transport related data, the comparison of such data and where appropriate, an exchange of information on discrepancies discovered.

The railway undertaking in the country of destination will be competent to settle accounts on the basis of the data shown on sheet 2 of the CIM consignment note. Therefore, sheets 2 relating to all carriages are available at the corresponding accounting office. The settlement consists of the collection of relevant data as defined in the accountancy regulations. Such offices are obliged to initiate the settlement on a monthly basis for each rail link and railway undertaking involved. The data are to be sent to each of the railway undertakings involved.

The railway undertaking in the country of departure is obliged to check whether these data correspond with its own data. Where discrepancy exceeding EUR 30 per consignment is discovered, details are to be sent to the accounting office in the country of destination using an agreed form.

The accounting office of each country of transit checks, where it considers it to be suitable, whether the settlement is correct. The agreed form is to be used, where a discrepancy exceeds EUR 30 per consignment.

Following the settlement, the accounting office in the country of destination, in general<sup>7</sup>, is dividing the amounts and finally transferring the corresponding amounts to the railway undertakings involved.

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<sup>6</sup> UIC Leaflet 304

<sup>7</sup> UIC intends to modify this principle. The railway undertaking competent to charge the client should be competent for the division and the transfer of the amounts. Since neither the collection of the transport

It should be pointed out that this procedure may also be agreed upon with non-UIC members according to the accountancy regulations. The application of the UIC procedure is not a condition for the use of the simplified rail transit procedure. However, any eligible accountancy procedure has to be also binding for the railway undertakings involved and has to be as reliable as the UIC procedure, which needs to include a standardised comparison of the data concerning each consignment in the accounting offices involved and the use of an agreed form for the information on discrepancies. Any accountancy procedure has to ensure a mutual control of the railway undertakings involved in the carriage of goods. Thus, the procedure requires the involvement of at least two railway undertakings.

A railway company that has not received its share of the remuneration for the transport operation after a certain period makes investigations to trace the 'lost' goods or documents or determine the country the goods entered last. This makes up for the lack of a customs inquiry procedure and the messages for the end and discharge.

### **3.5.3.5.2 Inspections by the competent authorities**

Holding records for inspection by customs in an accounting office to be set up in each country is required because there is no return copy enabling customs to ascertain that the goods arrived. The ending and control messages are replaced by checks of records, in particular of the breakdown of transport costs and the enquiry procedure of railways.

*Article 41(3), TDA  
Article 92(3), Appendix I, Convention*

Customs control on the appropriate use of the paper-based procedure will mainly be performed by the customs authority in the country of destination.

In case of irregularities and any debt claims, each customs administration has the possibility to deal directly with the respective railway undertaking (see Annex 1 to the working document TAXUD/A2/TRA/02/2019).

It should be borne in mind that the existing clearing and enquiring system of the railway undertakings forms an essential element of the paper-based transit procedure for rail. That system is considered to be reliable and to allow for controls

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related data nor the exchange of these data is concerned this modification does not affect the paper-based transit procedure for rail.

of the accounts of the railway undertakings and the waiver of a return copy of the CIM consignment note used as the transit declaration<sup>8</sup>.

Therefore, proper and effective controls of the simplified procedure have to make use of the essential elements of the accountancy procedure of the railway undertakings.

The most important indication that goods placed under the paper-based transit procedure for rail have not reached destination is the information on discrepancies although this information might also concern rail freight related discrepancies that do not require a follow-up by customs. In order to carry out a proper and effective control, the information on discrepancies sent or received by the respective accounting offices has to be presented to and checked by the competent authorities. Any follow up action, e.g. inquiries with the office of destination, are only necessary where the discrepancy affects the transit procedure.

The proper application of the simplified procedure is to be monitored on the basis of sheets 2 of the CIM consignment note. These sheets, which should bear the endorsements required by the transit legislation, are to be held available at the accounting office in the country of destination (see above section 3.5.3.4.7). The monitoring of the proper application should consist of random checks of sheets 2 of the CIM consignment note. Furthermore, the use of the post-clearance verification procedure is to be considered<sup>9</sup>.

### 3.5.3.6 Guarantee in the context of the simplified rail transit procedure

*Articles 215(2), 98(1), 89(4) and 233(1)(c), UCC  
DA Article 16(1), UCC Article 28(1)  
Article 10(1), Appendix I, Convention*

The **holder of the procedure** has to **provide an appropriate guarantee** - valid, sufficient and covering the full itinerary on the customs territory of the Union and common transit countries.

Considering the nature of the paper-based procedure, the 'comprehensive guarantee' is the most appropriate form of guarantee. There is no efficient procedure allowing the customs office of departure to release a movement with an individual guarantee.

<sup>8</sup> See the recitals of Regulation (EEC) No 304/1971 of the Commission

<sup>9</sup> For details see Part IV, Chapter 5, paragraph 5 Transit Manual

### 3.5.3.6.1 Use of a comprehensive guarantee

*Articles 156 and 157(3), IA  
Article 74(4) Appendix I, Convention*

In the case of the provision of a comprehensive guarantee in the context of the simplified rail transit procedure:

- the holder of the procedure is responsible to control that the level of reference amount is sufficient at all times and covers the full itinerary on the customs territory of the Union and common transit countries;

Note:

- (a) If the level of the reference amount is insufficient, then the holder of the procedure must increase the reference amount or supplement an additional guarantee. This information must be indicated in the CIM consignment note with the guarantee type and, where appropriate, the GRN number.
- (b) The reference amount may be re-used for a subsequent transit operation as from the moment the transit procedure has ended.
- the customs office of departure should check whether a comprehensive guarantee is in place. Customs may use [Annex 2 to the working document TAXUD/A2/TRA/02/2019](#) as source for verification and presume based on that information that the condition is fulfilled. (see also 3.5.3.4.4);
- the competent customs authority (of the customs office of guarantee) should perform regular and appropriate audits to monitor the usage of the reference amount.

Since the monitoring of the use of the comprehensive guarantee for this paper-based procedure is different from the one used in the standard transit procedure, the comprehensive guarantee must allocate a reference amount for the use of this paper-based procedure distinct from the reference amount allocated to the standard transit procedure.

*Articles 23, 28(1)(2) and 42, UCC  
Article 17, 65(3), 66 and 67, Appendix I, Convention*

In the case, audits would reveal that the conditions on the use of the comprehensive guarantee have not been fulfilled, following actions may be taken by the competent customs authority :

- review the reference amount of the comprehensive guarantee;
- suspension/revocation of the relevant authorisations, i.e. the use of a comprehensive guarantee and the use of the paper-based rail procedure;
- imposing an administrative penalty due to non-compliance with the conditions of the use of comprehensive guarantee;
- imposing an administrative penalty due to non-compliance with the obligations related to transit procedure;

- establishing the occurrence of a customs debt and related recovery if applicable.

For more information on the authorisation for the use of a comprehensive guarantee, see Part III and Part VI.

### **3.5.3.6.2 Individual guarantee**

While the use of the comprehensive guarantee should be the rule, the use of individual guarantees cannot be excluded. An individual guarantee may be appropriate in rare cases when:

- an authorised railway undertaking acts mainly as participant in the chain, but needs to act exceptionally as holder of the procedure and therefore has not a comprehensive guarantee;
- the reference amount of the comprehensive guarantee is insufficient and need to be supplemented with an additional guarantee.

In the case of the provision of an individual guarantee in the context of this simplified rail transit procedure:

- the holder of the procedure must present to the customs office of departure an appropriate guarantee and indicate the guarantee type and, where appropriate, the GRN number in the CIM consignment note;
- the customs office of departure should check whether the individual guarantee is appropriate, i.e. the guarantee is valid, sufficient to cover any potential customs debt and covers the full itinerary on the customs territory of the Union and common transit countries;
- the customs office of departure may only release the individual guarantee at the moment it has the necessary assurance that the transit procedure has ended correctly.

Notwithstanding the fact that the goods and CIM consignment note must not be presented at the customs office of departure in certain situations (see note of section 3.5.3.4.4), the individual guarantee must be presented at the customs office of departure.

### 3.5.3.7 Case scenarios

#### 3.5.3.7.1 Examples

**1. Non-Union goods are to be carried from Rotterdam/NL to Vienna/AT**

**Contractual carrier: DB Cargo Nederland**

**Other carriers: DB Cargo AG, Rail Cargo Austria**

The details of DB Cargo Nederland are shown in box 58a. The other carriers are shown in box 57. The contractual carrier and the other carriers comply with the requirements of the paper-based procedure. DB Cargo Nederland may apply for the paper-based rail transit procedure by completing box 58b, i.e. ticking the box "yes" and entering its UIC code 2184.

**2. Non-Union goods are to be carried from Rotterdam/NL to Vienna/AT**

**Contractual carrier: DB Cargo Nederland**

**Other carriers: Rail Express, Rail Cargo Austria**

The paper-based procedure is not applicable since Rail Express is not entitled to use the simplification. The standard transit procedure applies. The CIM consignment note serves as a transport document only. Provided that Rail Express is authorised as an intermediate railway undertaking, the paper-based procedure is applicable.

**3. Non-Union goods are to be carried from Rotterdam/NL to Vienna/AT**

**Contractual carrier: DB Cargo Nederland**

**Other carriers: DB Cargo Nederland**

The paper-based procedure is not applicable since only one railway undertaking is involved in the transport. The standard transit procedure applies. The CIM consignment note serves as a transport document only.

**4. Non-Union goods are to be carried from Rotterdam/NL to Banja Luka/BA**

**Contractual carrier: SBB Cargo**

**Other carriers: DB Cargo Nederland, DB Cargo AG, Rail Cargo Austria, SŽ – Tovorni Promet D.O.O., HŽ Cargo, ZFBH (BA)**

The details of SBB Cargo are shown in box 58a. The contractual carrier and the other carriers in the EU comply with the requirements of the paper-based procedure. SBB Cargo may apply for the paper-based procedure by completing box 58b of the CIM consignment note. The transit operation ends automatically in accordance with Article 36(5), TDA / Article 101, Appendix I, Convention when the goods leave the customs territory of the Union.

**5. Non-Union goods are to be carried from Rotterdam/NL to Banja Luka/BA**

**Contractual carrier: ZFBH (BA)**

**Other carriers: DB Cargo Nederland, DB Cargo AG, Rail Cargo Austria, SŽ – Tovorni Promet D.O.O., HŽ Cargo, ZFBH (BA)**

The contractual carrier is established outside the EU. All other railway undertakings comply with the requirements of the paper-based procedure and may apply for the paper-based procedure by completing box 58b of the CIM consignment note in accordance with Article 31(1)(a), TDA/ Article 93(1)(a), Appendix I, Convention. The transit operation ends automatically in accordance with Article 36(5), TDA / Article 101, Appendix I, Convention when the goods leave the customs territory of the Union.

**6. Non-Union goods are to be carried from Banja Luka/BA to Bratislava/SK**

**Contractual carrier: ZFBH (BA)**

**Other carriers: HŽ Cargo, SŽ – Tovorni Promet D.O.O., Rail Cargo Austria, ZSSK CARGO**

The contractual carrier is established outside the EU. All other railway undertakings comply with the requirements of the paper-based procedure. ZFBH may apply on behalf of one of the other railway undertakings with his consent for the use of the paper-based procedure by ticking the box "yes" in box 58b in accordance with Article 31(1)(b), TDA/ Article 93(1)(b), Appendix I, Convention. Box 58a shows the details of ZFBH, while the UIC code of the other railway undertaking who has given his consent is to be entered in box 58b. In accordance with Article 33(5), TDA/ Article 102, Appendix I, Convention the simplified procedure starts and one of the other railway undertakings acts as the holder of the procedure when the train enters the EU.

**7. Non-Union goods are to be carried from Rotterdam/NL to Alessandria/IT.**

**Contractual carrier: DB Cargo Nederland.**

**Other carriers: DB Cargo AG, BLS Cargo, Mercitalia, DB Cargo Italia.**

Note: it concerns 5 carriers in a chain, which comply with the requirements of the paper-based procedure, in 4 countries.

The details of DB Cargo Nederland are shown in box 58a. The other carriers are shown in box 57. The contractual carrier and the other carriers comply with the requirements of the paper-based procedure in their respective countries. DB Cargo Nederland may apply for the paper-based rail transit procedure by completing box 58b, i.e. ticking the box "yes" and entering its UIC code 2184.



**8. Non-Union goods are to be carried from Bern/CH to Rotterdam/NL**

**Contractual carrier: DB Cargo Schweiz**

**Other carriers: DB Cargo Nederland, DB Cargo AG**

The details of DB Cargo Schweiz are shown in box 58a. The other carriers are shown in box 57. The contractual carrier and the other carriers comply with the requirements of the paper-based procedure. However, the contractual carrier and the holder of the procedure are different and DB Cargo AG is the holder of the procedure. Since DB Cargo Schweiz is not the holder of the procedure, it may apply for the paper-based transit procedure on behalf of DB Cargo AG with consent of DB Cargo AG by completing box 58b, i.e. ticking the box "yes" and entering its UIC code 2180.

**9. Non-Union goods are to be carried from Belgrade/XS (CS) to Rotterdam/NL**

**Contractual carrier: "Srbija Kargo" AD**

**Other carriers: Rail Cargo Hungaria, Rail Cargo Austria, DB Cargo AG, DB Cargo Nederland NV**

"Srbija Kargo" AD may apply on behalf of Rail Cargo Hungaria for the use of the paper-based procedure by ticking the box "yes" in box 58b. Box 58a shows the details of "Srbija Kargo" AD, while the UIC code 2155 of Rail Cargo Hungaria, is to be entered in box 58b. In accordance with Article 33 (5), TDA/ Article 102, Appendix I, Convention the paper based transit procedure starts and Rail Cargo Hungaria acts as the holder of the procedure when the train enters the EU.

**3.5.3.7.2 Particular situations of contractual carriers.**

The condition of having goods successively taken over and carried by different authorised railway undertakings is no longer fulfilled where there is a complete merger of railway companies of several countries into a single undertaking. However, the fact that being part of the same financial holding should not in principle call this condition into question, provided that the different freight services continue to operate separately.

The condition is neither met when one single railway company carries out an international transport operation in a liberalised framework, e.g. as sole transporter from the country of departure to the country of destination.

Furthermore, it has to be pointed out that the contractual carrier may also have characteristics, other than the conventional ones, according to the international rail-freight rules. These different characteristics have to be taken into account when deciding about the use of the paper-based rail transit procedure.

- The contractual carrier is the forwarding or transiting railway undertaking, or a railway undertaking in the country of destination:  
*The person may act as a holder of the procedure in the paper-based procedure when it meets the conditions of the paper-based procedure.*
- The contractual carrier is not physically involved in the carriage of goods:  
*The person may act as a holder of the procedure in the paper-based procedure and be represented at the customs office of departure by the 1<sup>st</sup> carrier in the chain on the territory of the EU or a common transit country.*
- The contractual carrier meets the requirements of the paper-based procedure, but does not provide a guarantee:  
*The person may not act as a holder of the procedure. Another authorised railway undertaking may apply for the use of the paper-based procedure as a representative of the contractual carrier.*
- The contractual carrier is not a railway undertaking:  
*The person may not act as a holder of the procedure in the paper-based procedure, since Article 25(1) TDA/Article 93 Appendix I, Convention requires a railway company as the holder of the procedure.*
- The contractual carrier does not meet the requirements of the paper-based procedure:  
*The person may not act as a holder of the procedure in the paper-based procedure. The holder of the procedure is the only person who may be granted the use of a simplification. As a general rule, the holder of the procedure has to meet the requirements of a simplification. However, the contractual carrier may apply for the use of the simplified procedure as a representative of another carrier who meets the requirements and who may act as a holder of the procedure.*

### 3.5.4 Other paper-based rail transit procedure (transitional provision)

*Article 45, TDA  
Article 6, Convention*

Until the NCTS has been updated in accordance with the UCC Work Programme, Member States and common transit countries have the right to continue applying other paper-based Union transit procedures provided that the measures applying to goods placed under the Union or common transit procedure are complied with.

The arrangements, at national, bi-lateral or multilateral level, to use such paper-based Union transit procedure, must have been established before the entry into force of the UCC.

For example, this is the case when goods are moved by rail under the CIM/SMGS or SMGS consignment note and need to enter the customs territory of the Union until a specific point within the same country of entry.

### 3.5.5 T2 Corridor

*Article 119(2)(c), DA  
Articles 2a, Appendix II, Convention*

Although the use of the T2 corridor is not a customs transit procedure, it is worthwhile to note that this type of facilitation exists for Union goods transported by rail. Despite the fact that the T2 corridor is not a common transit procedure, it may be regarded as a national transit simplification in common transit countries whereas technically in the customs territory of the Union and according to the Convention, the concept of the presumption of the customs status of Union goods is used.

By means of using the T2 corridor, Union goods carried by rail may move, without being subject to a customs procedure for their movement, from one point to another within the customs territory of the Union and be transported through the territory of a common transit country without alteration of their customs status, under the following conditions:

1. the transport of the goods is covered by a single transport document issued in a Member State;
2. the single transport document contains the following endorsement: 'T2-Corridor' and the number of authorisation of the railway undertaking in Switzerland;
3. the transit through a common transit country is being monitored by means of an electronic system in that common transit country; and

4. the railway undertaking concerned is authorised by the common transit country whose territory is transited to use the 'T2-Corridor' procedure.

The common transit country keeps the Joint Committee or the relevant working group set up by that Committee informed about the modalities regarding the electronic monitoring system, and about the railway undertakings which are authorised to use the T2-Corridor.

Currently, such system is only in place in Switzerland. The T2 Corridor in Switzerland has the status of a national transit procedure. The list of railway undertakings authorised to use this T2-Corridor and information about the procedure to follow can be found here:

<http://www.ezv.admin.ch/zollanmeldung/05042/05049/index.html?lang=en>.

*Annex 8.11 : Correspondence table CIM – CIM/SMGS*

The forms are available on : <https://cit-rail.org/en/freight-traffic/forms/>

<b>Box</b>	<b>CIM</b>	<b>CIM/SMGS</b>
Documents attached – Annexes	9	9
Description of the goods	21	20
NHM code	24	23
CIM Consignment note	30	37
Other carriers	57	65
Contractual carrier	58a	66a
Simplified transit procedure for rail and code for the principal*	58b	66b
Consignment number	62	69
Customs endorsements	99	26

\* holder of the procedure

*Annex 8.12 : Declarations by railway undertakings*

Extract of working document TAXUD/A2/TRA/02/2019

**Declaration**

**by railway undertakings for the carriage of goods under the paper-based transit procedure for rail using the CIM consignment note, the CIM consignment note for combined transport and the CIM/SMGS consignment note**

The undersigned railway undertaking:

- Declares that when it acts as “holder of the procedure” within the meaning of Article 31 of Commission Delegated Regulation (EU) No 2016/341 (Transitional Delegated provisions to the Union Customs Code) and Article 93 of Appendix 1 to the Convention on a Common Transit Procedure, it will provide a guarantee covering the entire itinerary on the customs territory of the Union and the common transit countries. As “holder of the procedure”, it shall use a CIM consignment note, a CIM consignment note for combined transport or a CIM/SMGS consignment note when participating as the contractual carrier or accepting to become the holder of the procedure;
- Agrees that irregularities discovered during the application of the simplified procedure by rail shall be resolved between the competent customs authority and the responsible railway undertaking i.e. the customs authority and railway undertaking in the state where the irregularity is deemed to have occurred. The responsible railway undertaking agrees to be liable and to be the first to be asked for the payment of any customs debt. The joint and several liability of the railway undertakings taking part in the transport and the liability of the holder of the procedure for any customs debt are unaffected by this declaration;
- Undertakes to inform its customs administration of its respective country of the carriage of goods by rail, that it intends to carry out either alone or within the framework of an international grouping, via an external border of the territory where the Convention on a Common Transit Procedure of 20 May 1987 applies or via a border between its Contracting Parties.

Such information will be provided as far as possible 1 month before the start of any new transport route. It will include the date on which the new transport will begin; the countries involved in the service, details of the starting, border crossing and destination stations, and, if possible, the timetable. The information is not needed for transports that are covered by a standard internal or external transit procedure in accordance with Articles 226(3)(a) or 227(2)(a) of Regulation (EU) No 952/2013 (Union Customs Code) and Article 2(2) and (3) of Convention on a Common Transit Procedure when using the electronic system set up pursuant to Article 16(1) of the Regulation (EU) No 952/2013 and Article 4 of Appendix 1 to the Convention on a Common Transit Procedure, i.e. NCTS.

Company:

Place and date :

Address:

Signature

State: