

New Computerised Transit System (NCTS) Phase 5

Dear customer,

On 22 January 2025, all member countries of the Common Transit Convention (CTC) will introduce the final new features of NCTS5. These are known as Final State Rules.

To help you prepare for the implementation of Final State Rules we are issuing regular updates. In this update we are setting out what's changing on Commodity Codes and Offices of Incident. You can find all our updates on [gov.uk](https://www.gov.uk).

What's changing – Commodity Codes

Currently in NCTS, you are able to enter commodity codes into a transit declaration on a voluntary basis.

From 22 January 2025, commodity codes will be mandatory in transit declarations for all member countries of the CTC, for all goods items being moved via Transit.

These should be entered in the following fields in the IE015 Transit declaration:

Commodity Code

- **Harmonized System (HS) Sub Heading Code** (enter six digits of the HS code for GB/XI declarations in all cases)
- **Combined Nomenclature Code** (additional 2 digits can optionally be entered for XI declarations only)

What you need to do

Traders should be aware that their shipment of goods may be moved using Transit following export. The carrier of the goods will create the transit declaration for all consignments they're transporting so it's extremely important that traders provide the correct commodity codes to their chosen carrier, to ensure their goods can progress under the transit movement.

Commodity codes are internationally recognised reference numbers which describe a specific product when importing or exporting goods. You will use this code on any import declaration and can find them in the [Trade Tariff tool](#).

You'll need to find the right commodity code for any goods you import or export, to ensure correct calculation of: -

- Customs Duty and import VAT
- taxes
- preferential rates which may apply

What's changing – Office of Incident

NCTS5 will introduce an Office of Incident role, to record details of any incidents that occur during the transit journey (for example, a change of vehicle or damage to security seals).

From 22 January 2025, any relevant incident ([examples of which are defined in Transit Manual Supplement 4.5.2](#)) that occurs during the journey must be reported to the nearest office of incident so it can be recorded into NCTS.

Goods must be physically presented, and the incident reported, at the time of occurrence. You'll no longer be able to wait until arrival at the authorised destination to notify HMRC about incidents that happened during the journey.

The role of an Office of Incident

Currently, customs offices have specific transit roles which can be any combination of the following:

- Office of Departure — handles formalities and release of a movement at the start of the transit procedure
- Office of Transit — records the entry of a movement into that office's customs territory, at its border.
- Office of Destination — handles formalities upon a movement's arrival and the goods release

From 22 January 2025, the office of incident function will be used to record details of incidents that occur during the transit journey and will notify the office of departure and decide if the transit movement can continue its journey.

If the transit movement cannot continue, the office of incident will function as office of destination and will conduct all arrival formalities there.

If the office of incident decides that the transit movement can continue, the journey can resume as planned.

When an incident is registered, a notification will be issued electronically to the person who made the departure transit declaration. This will either be through their NCTS5 compatible software, or through the NCTS web portal if used. The notification will include all details of the incident, such as:

- the location
- transport changes.
- transshipment
- seal changes.

What you need to do

From 22 January 2025, if an incident occurs during a transit movement, you will need to report the details immediately to the nearest customs office. You can find a [list of customs offices on the Europa website](#).

In the UK, all traders must consult the Customs Office List (COL) to identify which customs offices perform office of incident functions. You can use this link to [find customs offices \(europa.eu\)](#).

The reasons why you need to take action and report an incident have not changed. The person responsible for moving the goods (such as the haulier) must present them, with the declaration movement reference number, to the nearest customs office (who will function as an office of incident) in the territory the means of transport is located.

You can find further information about [reasons for reporting an incident in the Transit Manual Supplement](#).

What's next?

Please look out for our next comms relating to new data fields for NCTS5.

Thank you,

HMRC.