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Major Changes in Belgium relating to Customs Processes

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Introduction

Anyone involved with Customs in Europe is well aware of the scale of changes being implemented as part of the EU's Multi Annual Strategic Plan (MASP), implementing the Union Customs Code digital vision, reaching the ultimate goal of centralised clearance across the EU and all customs processes digitally linked including EMCS (Excise Movement Control System) with NCTS (New Computerised Transit System) and Automated Export System (AES).

Although the MASP has been running for almost 10 years (starting with NCTS) , the EU Member States, Traders and the Software Community has seen delay after delay and still further delays to come. There have been external factors of course, Brexit, Covid-19 as well as other economic factors but the reality is that despite an initial phased approach we are looking at the convergence of a lot of these projects into a short timespan.

Delays have also been seen due to changes in the European Data Model which underpins all the new Customs declarations and processes.

It was already challenging for multinational companies and software organisations who operate in a number of different Member States to balance the development and migration activities but with the regular delays and shifts in deadlines we, like others, have found ourselves having to suddenly switch priorities from one country project to another and working with the new systems where the situation is more mature in terms of documentation and test system capability.
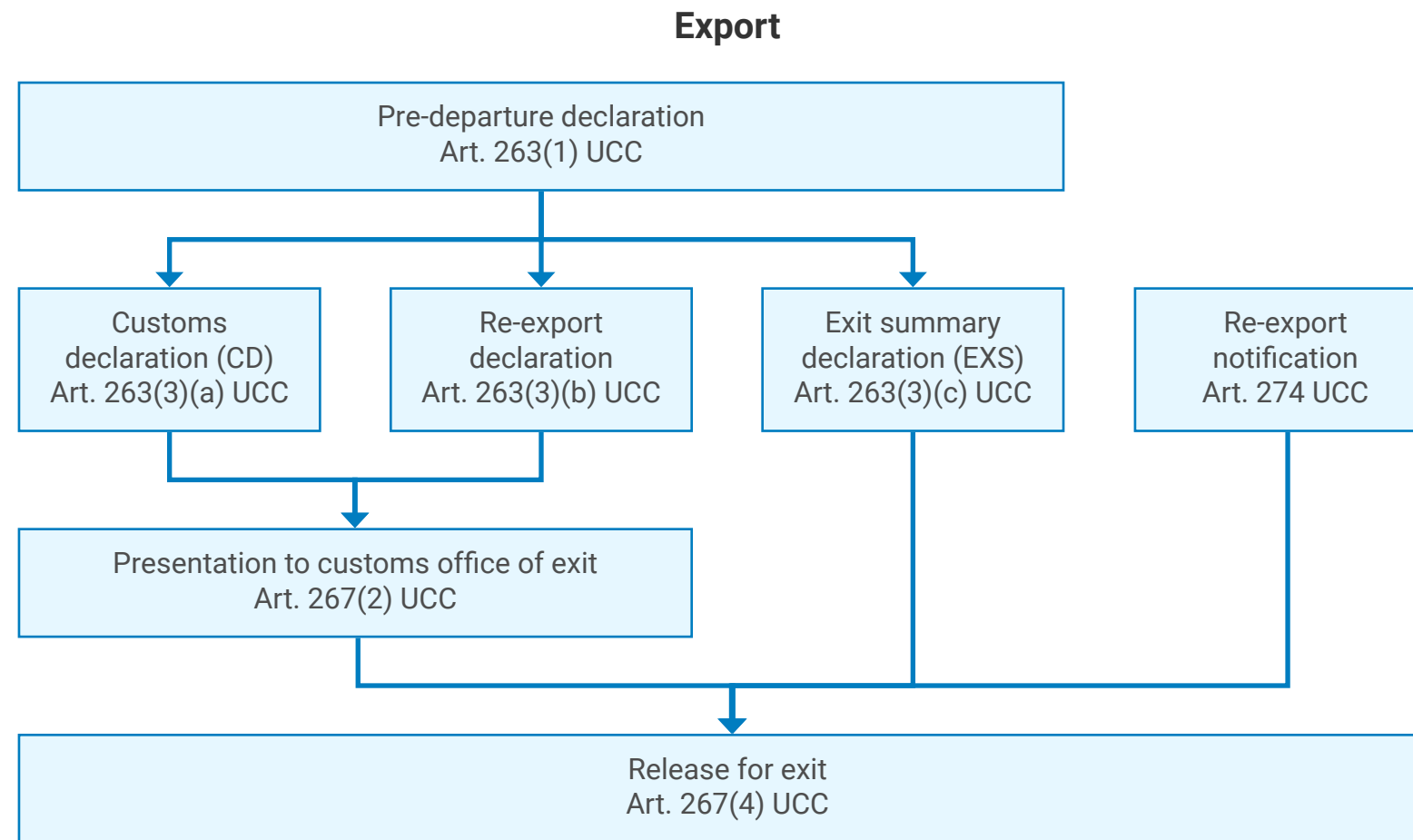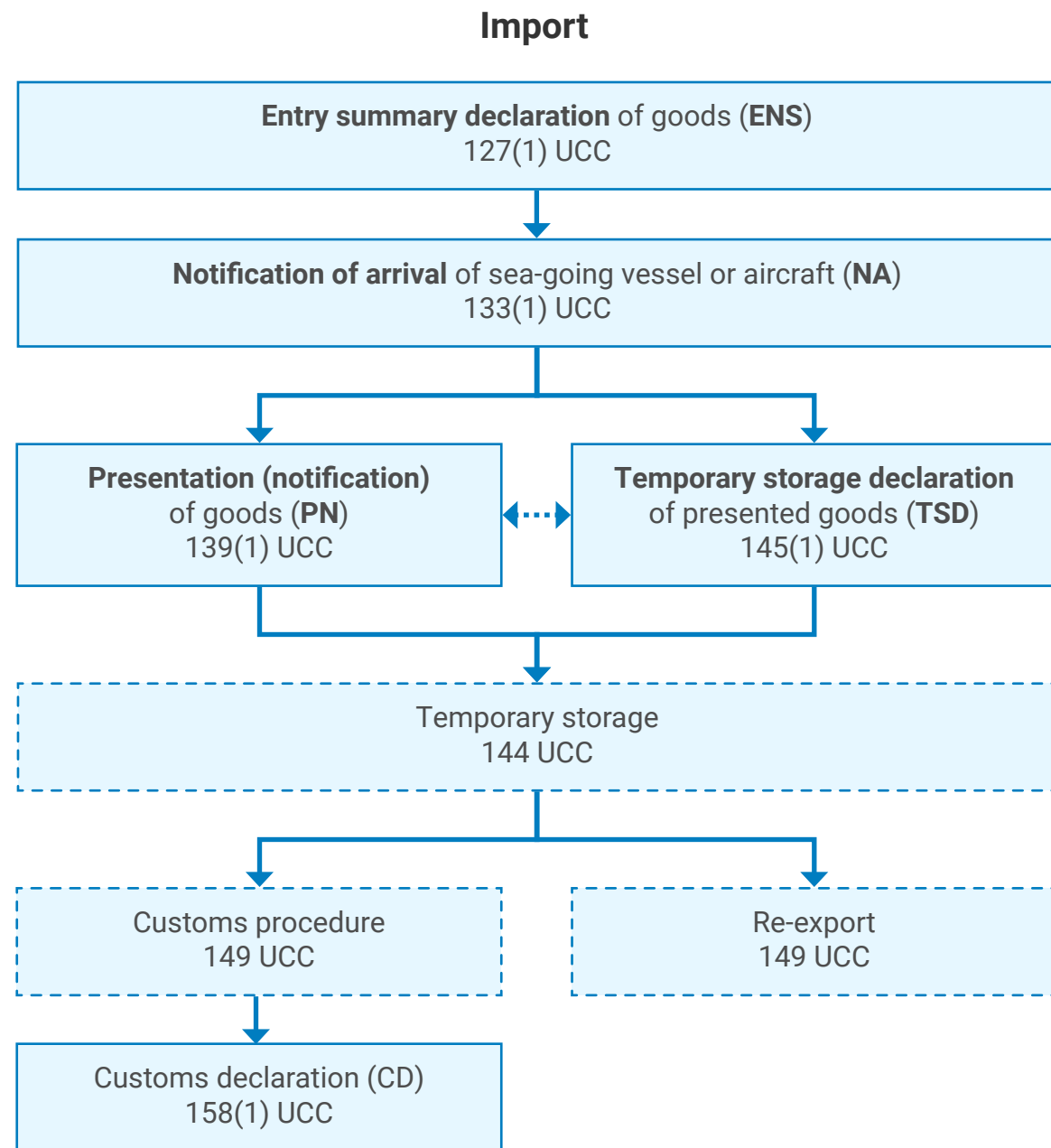
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In this ebook we will cover the current status in Belgium.

When we look at the Customs ecosystem, changes can be seen across the whole lifecycle which can be represented in these flow diagrams:

Import

- Entry summary declaration of goods (ENS) 127(1) UCC
- Notification of arrival of sea-going vessel or aircraft (NA) 133(1) UCC
- Presentation (notification) of goods (PN) 139(1) UCC
- Temporary storage declaration of presented goods (TSD) 145(1) UCC
- Temporary storage 144 UCC
- Customs procedure 149 UCC
- Re-export 149 UCC
- Customs declaration (CD) 158(1) UCC

Export

- Pre-departure declaration Art. 263(1) UCC
- Customs declaration (CD) Art. 263(3)(a) UCC
- Re-export declaration Art. 263(3)(b) UCC
- Exit summary declaration (EXS) Art. 263(3)(c) UCC
- Re-export notification Art. 274 UCC
- Presentation to customs office of exit Art. 267(2) UCC
- Release for exit Art. 267(4) UCC

For Belgium these flows can be summarised as follows:

ICS2 Air followed by Maritime, Road & Rail	→	TSPN Temporary Storage and Presentation; Air followed by Maritime, Road and Rail	→	IDMS Import migration from PLDA to iDMS (already having implemented PLDA eGlobalization and H7)	→	NCTS NCTS Phase 5	→	AES Export migration from PLDA to eDMS/AES

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ICS 2

ICS2 is the replacement system for the current ICS1 for Safety & Security Declarations. Air Carriers went live on 1st March with a deployment window until 1st July (where the majority of carriers started submitting ICS2 declarations).

ICS2 allows for dual filing and for Air, forwarders or other parties have a deployment window until 2nd October to start submitting their house level filings.

For Maritime the current time frames are for Carriers to start migrating on 1st March 2024 with a deployment window until December 2024, and for House or Supplementary Filers to go live between 1st January 2025 and 31st March 2025.

For Road and Rail, unless there are dual filing scenarios both Road and Rail Carriers will have until 31st March 2025 to migrate.

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Temporary Storage and Presentation

Where ICS2 is a centralised EU solution, the next stages of the Customs journey are all National Systems.

The first is the entry into Temporary Storage and Presentation of Goods. The time frames for this changed to become more aligned with ICS2 with Presentation of Goods for Air expected to go live originally on 1st March 2023, but moved back until July and Temporary Storage moved back from March to December 2023.

As with other programmes this faced challenges not only in Customs readiness but also the trading community not being ready, which has led to a delay in the implementation of Presentation of Goods for Air.

Temporary Storage and Presentation for Maritime, Road and Rail is currently scheduled to go live on 1st March 2024.

These dates are aligned with ICS2, as it is necessary that the MRN of the ICS2 Entry Notification Summary (ENS) declaration should be quoted on the Temporary Storage declaration and should be effectively finalised by the Presentation of Goods.

Why is this important to you if you are only involved in imports? The Temporary Storage MRN should be quoted on the next stage of the goods journey, for example in the Import Declaration to discharge the Temporary Storage procedure.

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IDMS will replace PLDA Import

This brings us to the migration from PLDA Import to IDMS.

Parts of IDMS have already gone live with the introduction of the H7 declaration (more about declaration types later).

eGlobalization which it self has only recently been introduced will not move from PLDA until a later phase along with Presentation Notification for goods held under EIDR.

Difference between PLDA import and IDMS

The basic flow of imports largely stays the same with

- Submission of a Declaration
- Registration followed by Presentation if Pre-Lodged
- Acceptance or Rejection
- Control Notification if appropriate
- Notification of Release or Non Release

The biggest difference is that the new IDMS declaration has to be conform with the European Customs Data Model (EUCDM). The EUCDM is a technical instrument that models the data requirements of EU customs legislation and presents a single, authoritative source of information.

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The data requirements in EUCDM are defined in the UCC DA (Commission Delegated Regulation No. 2015/2446) and the codes in the UCC-IA (Commission Implementing Regulation No. 2015/2447). For Customs declarations these are commonly referred to as Annex B (data requirements for applications and decisions are defined in Annex A). The EUCDM is also fully compatible with the WCO Data Model.

This breaks down all the data into various data groups.

- Group 11 – Message information (including procedure codes)
- Group 12 – References of messages, documents, certificates, authorisations
- Group 13 – Parties
- Group 14 – Valuation information/Taxes
- Group 15 – Dates/Times/Periods/
- Group 16 – Places/Countries/Regions
- Group 17 – Customs offices
- Group 18 – Goods Identification
- Group 19 – Transport information (modes, means and equipment)
- Group 99 - Other data elements (statistical data, guarantees, tariff related data)
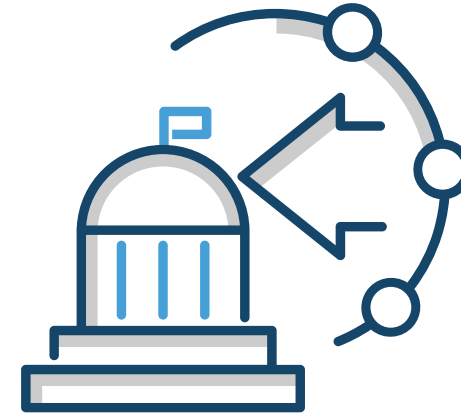
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Within each Data Group there are the appropriate Data Elements, these generally have a high level reference and a Sub Level. For example Previous Document (12 01 000 000) has a number of sub data elements to indicate data that can be declared in relation to a previous Document:

12 01 000 000	**Previous Document**
12 01 001 000	Reference number
12 01 002 000	Type
12 01 003 000	Type of packages
12 01 004 000	Number of packages
12 01 005 000	Measurement Unit and qualifier
12 01 006 000	Quantity
12 01 079 000	Complement of information
12 01 007 000	Goods item identifier

But where are my Box Numbers?

As you are maybe wondering, there are no longer any SAD Box Numbers and a Box like Box 44 now is subdivided into many Data Elements.

Belgium Customs have attempted a correlation to help users which can be found here – **https://financien.belgium.be/sites/default/files/Customs/Ondernemingen/Douane/aangiften-kennisgeving-douanestatus/documentatie/Concordantietabel%20bijlage%20B%20-%20ED.pdf** – however this only refers to parts of the customs declaration not the actual codes or data to be declared which can be different.

Some of you may also be familiar with the UK CDS system and be wondering why these Data Elements are different to those in CDS which was based on the EUCDM. The current EUCDM is version 6.2, in version 5 Previous documents would have been for example Data Element 2/1 in Data Group 2. Why the change? To keep up with all the interconnected systems that come with the MASP.

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Declaration Categories

In addition to Data Groups and Data Elements Customs you will also see reference to Declaration Categories. These define what Data Elements are required and can largely be defined by the requested procedure and/or declaration type.

- H1 Declaration for release for free circulation and Special procedure – specific use – declaration for end-use
- H2 Special procedure – storage – declaration for customs warehousing
- H3 Special procedure – specific use – declaration for temporary admission
- H4 Special procedure – processing – declaration for inward processing
- H5 Declaration for the introduction of goods in the context of trade with special fiscal territories
- H6 Customs declaration in postal traffic for release for free circulation
- I1 Import Simplified declaration
- I2 Presentation of goods to customs in case of entry in the declarant's records or in the context of customs declarations lodged prior to the presentation of the goods at import

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Header vs Item

One of the biggest differences between PLDA import and IDMS is the usage of the additional documents on Header (Declaration or Goods Shipment level) and Detail (Goods Item) level. In PLDA all additional information needed to be reported at the detail level. In IDMS it is divided between the Header and Detail.

In general a data element is used on Declaration Header level if it applies to all items. If only one item is different, the data element cannot be used at Header level and has to be declared on Detail level.

There are some Data Groups and Data Elements that can be found both at Header and Detail level. These data groups and or data elements can be grouped into two categories which are the following:

Data elements that can be declared either only at Declaration or Goods Shipment level or only at Goods Item level but not both:

- Additional supply chain actor
- Buyer
- Seller
- Exporter
- Destination
- Nature of transaction
- Gross mass
- Reference number/UCR
- Country of Dispatch

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The second category refers to the documents related data groups which can be declared either on Declaration or Goods Shipment level or on Goods Item level or on both levels. It should be highlighted that when a specific document is declared on Declaration or Goods Shipment level, the information relates to the whole declaration, and it cannot be declared on item level again. These data elements are presented below:

- Previous Document
- Supporting Document
- Additional Reference
- Additional Information
- Transport document
- Authorization
- Additional fiscal reference
- Additions and deductions

Documents

There are different types of documents that can be declared, many of these should already be familiar.

Previous document

Generally, data element 'Previous Documents' refer to the declaration concerning the previous customs procedures, e.g., in a standard customs declaration for free circulation following a special procedure, for instance the customs warehousing procedure (requested procedure/previous procedure 4071), the customs declaration for customs warehousing (71 00) shall be registered under this 'Previous Documents'. In case the given previous document concerns all goods items of the declaration, it can be indicated in D.G. 'Previous Documents' at Header level, otherwise, it should be indicated in the 'Previous Documents' at goods item level.

The structure of the D.G. is different at Header and Detail levels. At Header level the D.G. contains only the 'Type' and the 'Reference number' of the document, while at goods item level, additional data items exist which are the following: "Goods item identifier, "Type of packages", "Number of packages", "Measurement unit and qualifier" and "Quantity". These data items can facilitate the discharge of a previous (special) procedure (e.g., resuming the above referred example – procedure/previous procedure 4071 – these data items make it more visible what were the quantities of a specific goods item declared in the customs declaration for placing goods under free circulation following the previous customs warehousing procedure).

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For writing off purposes the related previous document can be used only on goods item level, because the details related to the writing-off of the goods declared in the previous document concerned can be declared only on item level.

Here is the list of documents for which IDMS will be able to automatically write-off in the Goods Flow and the Goods Accounting.

Previous Document type	Previous Document description
N337	Sato air freight
N337	Sato Lyst
N337	Sato sea freight
NMRN	IM7
N337	TSD
NMRN	H2 – Special procedure – – Storage – – Declaration for customs warehousing
N820	Transit declaration "T" in NCTSP5
N821	External Community transit declaration / common transit, T1 in NCTSP5

IDMS can determine which merchandise accounting it should go to based on the document reference. If the provided reference does not allow write-off the statement will be rejected using the rejection message.

Supporting documents

The supporting document are the ones required for the application of the provisions governing the customs procedure for which the goods are declared. These documents should be declared in the customs declaration under 'Supporting Document' with the related Supporting Document Type.

Similarly, to 'Previous Document', the 'Supporting Document' also has a different structure at Header and Detail levels. The additional data items concern the writing-off of the goods declared in the declaration concerned, in relation to the import licenses and certificates. Such details shall include the reference to the authority issuing the license or certificate concerned ('Issuing authority name'), the period of validity of the license or certificate concerned ('Validity date'), the writing-off amount or quantity and the respective measurement unit ('Measurement unit and qualified', 'Quantity', 'Currency', 'Amount').

Transport documents

'Transport Document' shall refer to the transport document with which the goods have been brought into the customs territory of the Union. It includes the relevant Transport Document Type for the type of transport document, followed by the reference number of the document concerned.

Additional references

Under 'Additional Reference', the declarant can register all the TARIC document type codes starting with letter Y that cover no physical certificates and documents. This means that only the type of the document is required, and no reference number is needed to be declared.

Location of the goods

As in PLDA, IDMS only accepts the type of location with the UNLOCODE. This is required for all declarations.

In case of a pre-lodged declaration this is not required. As soon as the goods have arrived, a presentation notification needs to be sent to customs. In that message the location of the goods is required.

However, if the pre-lodged declaration contains a location of goods, this information can be overwritten by the information provided in the presentation notification should it change.

Prints

Unlike PLDA there is currently no official printed document. The SAD refers to Box Numbers which no longer exist and does not easily cater for new Data Elements. In the absence of an official document we will be implementing an alternative that can be used to display the relevant data.

eDMS/AES will replace PLDA export

Similar to iDMS, eDMS or sometimes called AES will replace the current PLDA Export system.

Exports follows the same structure and Data Groups and Elements as imports but of course with a different completion requirement.

As with imports, the basic flow of largely stays the same with:

- Submission of a Declaration
- Registration followed by Presentation if Pre-Lodged
- Acceptance or Rejection
- Control Notification if appropriate
- Notification of Release or Non Release
- Export Notification
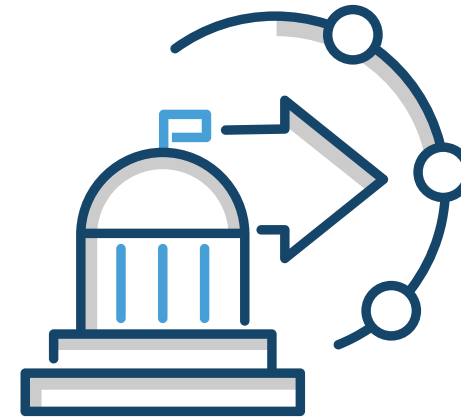
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Declaration Categories

For exports the categories are as follows:

- B1 Export and re-export declaration
- B2 Special procedure – declaration for outward processing
- B3 Declaration for warehouse of Union goods
- B4 Declaration for export of goods to special fiscal areas
- C1 Export simplified declaration
- C2 Presentation of goods at customs in case of entry in the declarant's records (EiDR) or in the context of customs declarations submitted for the presentation of the goods at export.

NCTS Phase 5

NCTS Phase 5 is a coordinated project across the EU and members of the Common Transit Convention.

A related e-Book specifically on NCTS Phase 5 can be found here: **NCTS_Guide_2023_FINAL_NL.pdf (descartes.com)**

NCTS Phase 5 Transition Period

The period of time during which countries may, at any point, switch to operating NCTS 5 is known as the transition period. In Belgium the migration date is currently set for the 29th of November 2023.

The Transition Period will end at the point when all countries have switched to operating NCTS 5. For example, Dutch customs have already announced that they will publish the new specifications at the end of October, and will start the migration in Quarter 2 2024. As a result the EU has already announced the Transition Period will run until 31st December 2024.

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During the transition period, those countries that are operating NCTS 5 must do so in transitional mode which is essentially a "backwards compatibility" mode. This is to ensure that messages can be exchanged between NCTS P4 and NCTS P5 countries via an upgrade/downgrade convertor in the common domain. The common domain is where messages are exchanged at country-to-country level allowing, for example, the forwarding of movement details to the country of destination upon release or to let the country of departure the movement has arrived etc.).

To ensure backwards compatibility with NCTS phase 4 during transition, special rules and conditions have been defined in NCTS phase 5 to restrict/prevent usage of some new data fields and functionality until all countries are operating NCTS phase 5. This is to ensure successful downgrading of NCTS P5 messages to NCTS P4.

Therefore whilst NCTS Phase 5 mandates the HS Code to at least 6 digits and allows for data to be declared at Shipment/Consiggment, House Consignment or House Item level during the Transitional Period the HS Code remains optional and it is only possible to declare a single House Consignment.

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Authorisations

The Authorisation data elements are a new addition to NCTS P5. It allows the holder of the transit procedure to indicate which transit simplifications they are authorised for and wish to use for the movement.

Example authorisations include:

- ACR - Authorisation for the status of authorised consignor for Union transit (Column 9b, Annex A of Delegated Regulation (EU) 2015/2446)

- SSE - Authorisation for the use of seals of a special type (Column 9d, Annex A of Delegated Regulation (EU) 2015/2446)

- TRD - Authorisation to use transit declaration with a reduced dataset (Column 9e, Annex A of Delegated Regulation (EU) 2015/2446)

- ACE - Authorisation for the status of authorised consignee for Union transit (Column 9c, Annex A of Delegated Regulation (EU) 2015/2446)

Authorisations can used individually or combined as appropriate.

In order to use the **Simplified Procedure**, the correct authorisation details must be present in the Authorisation data group and its usage is validated by NCTS.

Unlike NCTS P4 there is no flag to indicate simplified procedure. When the declarant wishes to use simplified procedure an Authorisation data block must be created with Authorisation > Type entry as follows:

- C521 - for simplified departure process (IE015)

- C522 - for simplified arrival process (IE007)

The trader's authorisation number must also be given in the data field *Authorisation > Reference Number*. This will be the reference number given to the trader when they first applied to use simplifications. It is important the authorised traders are aware of their authorisation reference especially as it may have been issued a long time ago.

Location Codes

As with Imports and Exports, the Location of Goods now follow a more structured format. In Belgium only the type C (Approved Place) is allowed as Type of Location in message IE015 (Transit Declaration). In message IE170 (Presentation Notification) and IE007 (Arrival Notification) Type A (Designated Location) is also allowed for declarations under normal procedure. Also for the Qualifier, U (UNLOCODE) must be selected with Type C and V (Customs Office) with Type A.

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Current Status

At this moment Belgium customs is still finalising their system, they are using Agile methodology, releasing new functionality every few weeks. Whilst this is positive in terms of quick updates rather than waiting for the next big release, it does make it challenging to test the complete system and there is the risk of new issues being introduced or discovered late.

As can be seen in the links under More Information, there are still a number of areas where information is pending such as the requirements around "optional" data – "The decision on the B elements chosen by Belgium for the explanation with data set H1 will be communicated after the concerned services about this have given their advice. Their answer is expected by mid September 2023."

The current published deadlines are

- **30th September 2023** for eDMS/AES
- **29th November 2023** for NCTS Phase 5
- **6th December 2023** for IDMS with obligation to use iDMS by the 31 December 2023

However, as we have seen with other EU Member States it is likely that these dates will move back into early 2024.

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We continue to work on our development and internal testing on those dates.

We already have experience with Descartes of the EUCDM in the UK, Luxembourg, Netherlands, Sweden and Denmark who have or are in the process of implementing EUCDM compliant and/or NCTS Phase 5 systems.

We will therefore be approaching our customers to plan for their migration to iDMS, eDMS/AES and NCTS Phase 5 as appropriate. Customers who integrated their solution into their own ERP or Back-Office systems will likely need to make adjustments or else manual correction in the application will be required.

More Information

Dates

https://financien.belgium.be/nl/douane_accijnzen/ondernemingen/douane/
aangiften-kennisgeving-douanestatus/datums

Date Element Completion Guide

https://financien.belgium.be/nl/douane_accijnzen/ondernemingen/douane/
aangiften-kennisgeving-douanestatus/gegevenssets#q2

Code Lists

https://financien.belgium.be/nl/douane_accijnzen/ondernemingen/douane/
aangiften-kennisgeving-douanestatus/bijvoegsels

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About Descartes

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at Descartes.com and connect with us on LinkedIn and Twitter.

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The Descartes Systems Group Inc.
www.descartes.com | info@descartes.com

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