

Granting right to act as a principal

The principal means a person who organises the transit of goods from the customs office of departure to the customs office of destination.

Transit is a preference accepted by the customs authorities for the benefit of the traders who may transport their goods across the border or through the territories without paying such taxes, which should be normally paid upon delivery of the goods inward or outward of these territories. For delivery of the non-Community goods within the territories of the Member States relieved from the duties the external Community transit procedure shall be applied.

At the customs office of departure the transit declaration as to goods to be placed under the transit procedure shall be accepted, and at the customs office of destination the transit goods for ending the transit operation shall be presented. The principal shall be responsible for the payment of any customs duties and other charges, if a failure to comply with rules has taken place.

The regulations on acting as a principal are provided by the Community Customs Code (CCC), the Implementing Provisions of the Customs Code (IPC), the Common Transit Convention, the Customs Act [*of the Republic of Estonia*] and other legislative acts.

1. Guarantees

In order to ensure the payment of the customs duties and other charges, if in the course of the transit operation a customs debt should incur, the principal is required to furnish a financial cover or a guarantee. The public authorities are relieved from furnishing guarantees. The principal shall submit the guarantee together with the goods and transit declaration at the office of departure. For using guarantees the principals must register themselves (except in the case of payment by means of the bank card or money transfer) in the regional Tax and Customs Centre, or at the office of guarantee of the country where their business is established.

The guarantee may be lodged as a payment to the guarantee account of the Estonian Tax and Customs Board or it may be furnished by a guarantor. A guarantor may be a natural or legal person accepted by the customs authorities. The guarantor and the principal must not be the same natural or legal person.

The guarantee may be in the form of an individual guarantee to cover a single transit operation, or a comprehensive guarantee for covering several transit operations.

- As a **comprehensive guarantee** a guarantee document submitted to the customs office shall be accepted. For obtaining right to use the comprehensive guarantee a written application and the calculation of the reference amount must be presented to the regional Tax and Customs Centre wherein you intend for the most part to carry out your customs formalities, or in the country where your business is established. For example, a principal who is registered in Latvia, may request for the use of the comprehensive guarantee in Riga.

Right to use the comprehensive guarantee shall be granted, if:

- you are a regular user of the customs transit procedure, and
- you are able to fulfil the obligations imposed on you under this customs procedure;
- you have not had serious or repeated offences against customs *[or tax]* legislation.

- As an **individual guarantee** we accept:

- a payment made to the guarantee account of the Estonian Tax and Customs Board by means of the bank card or money transfer (cash deposits *[at the office of departure]* are not possible);
- a guarantee document for a single transit operation from the office of departure indicated in the guarantee document to the intended office of destination;
- a voucher issued by a guarantor.

Payment of an individual guarantee will be repaid to the principal's bank account when the transit movement is duly discharged. The principal shall bear the costs of the transfer. The principals shall be released from their liabilities with regard to the transit movement, if an appropriate electronic arrival notice issued by the office of destination arrives at the office of departure.

2. NCTS

The entire customs transit procedure from the beginning of the transit operation until the discharge of the customs procedure shall be completed by electronic means. All Estonian companies engaged in the transit movements can use the electronic transmission system NCTS for delivery of their transit declarations.

For electronic transmission of the transit declarations to the NCTS system a person must conclude an *e-tax/e-customs User Agreement* by submitting a written application to the regional Tax and Customs Centre. As a supplement to the Agreement, an authorization to a natural person, who will be authorized to declare on behalf of the company, must be filled in.

An application must contain the following information:

- name of the company;
- registration number;
- legal address (street and house number, city, postcode)
- signatory person.

The principals registered in other countries can transmit their transit declaration in the electronic form via the Internet using the link: [„NCTS interface for lodging transit declarations by non-authenticated persons”](#)

In order to facilitate the electronic transmission of the transit declarations via the Internet, the principals registered in other countries can use the computers set up for the clients in the following customs offices (COs):

- Veose Service Centre of the Muuga CO of the Northern Tax and Customs Centre [*Põhja maksu- ja tollikeskuse Muuga tollipunkti Veose teeninduskeskus*],
address: Veose 4, Maardu 74115;
- Narva Tax and Customs Bureau of the Eastern Tax and Customs Centre [*Ida maksu- ja tollikeskuse Narva maksu- ja tollibüroo*]
address: Vestervalli 7, Narva 20307;
- Koidula CO of the Southern Tax and Customs Centre [*Lõuna maksu- ja tollikeskuse Koidula tollipunkt*]
address: Koidula küla, Värskä vald, Põlva maakond 64001; and
- Luhamaa CO of the Southern Tax and Customs Centre [*Lõuna maksu- ja tollikeskuse Luhamaatollipunkt*]
address: Luhamaa, Misso vald, Võru mk 65011.

Upon applying the transit procedure, for submitting the comprehensive guarantee, or an individual guarantee with a guarantee document, or a voucher, the principals must know their access code (guarantee PIN-code). Without such code the computerised verification of the existence of the guarantee, the adequacy of the guarantee amount, and also to commence the transit movement would be impossible.

If at the office of departure the guarantee is missing, it is possible to use either the services of agents, or to furnish the guarantee otherwise, e.g. as a money transfer to the guarantee account of the Estonian Tax and Customs Board. The payment shall be made on the basis of the guarantee claim issued by the office of departure.

For further information please read our homepage on electronic transmission of the transit declarations NCTS system: Customs › New Information Systems Introduced Since 1 July 2009 (ICS, ECS, NCTS) › NCTS interface for lodging transit declarations by non-authenticated persons.

3. The principal is authorised:

- to request for reduction of the guarantee amount or release of the guarantee (guarantee waiver) on the following conditions:
 - o within the prior 6 calendar months you have regularly carried out the transit operations;
 - o your financial situation permits you to fulfil your obligations;
 - o you submit your transit declaration electronically, having concluded an appropriate prior written agreement with us;

- o you apply high security standards upon carrying out the transit operations (e.g. use special equipment for locating the whereabouts of the goods);
- o you are in close co-operation with the customs authorities.

Note: Guarantee waiver cannot be requested in the case of the goods involving higher risk of fraud, included in the Annex 44C of the Implementing Provisions of the Community Customs Code (IPC)/ the Common Transit Convention Annex 1 to Appendix 1.

(For the list of sensitive goods, see our homepage: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:207:0012:0013:EN:PDF> .)

- to act as a principal within the territory of the European Union, Republic of Romania, EFTA countries, if the guarantee is valid therein;
- not to furnish a guarantee, if the amount incurring from the customs debt does not exceed 500 EUR per one consignment;
- to end the transit operation in another customs office not indicated in the transit declaration;
- to submit a paper transit declaration, if the breakdown of the information system lasts longer than 30 minutes;
- to receive from the customs office back the voucher (TC 11) filled in by you;
- to request postponing of the deadlines in justified cases;
- to invalidate at any time the powers authorised to a person indicated in the comprehensive guarantee certificate.

4. Our rights and obligations:

- to conclude a decision in writing not later than within 30 calendar days on granting/not granting right to use the guarantees;
- to issue one or several comprehensive guarantee certificates or guarantee waiver certificates, if a customs office has issued an authorisation for using the comprehensive guarantee or release of the guarantee;
- to check regularly the adequacy of the amount of the furnished comprehensive guarantee;
- to issue a guarantee claim in the case of an individual guarantee payment;
- to issue a claim for a supplementary guarantee, if the amount of the guarantee is not sufficient;
- to demand that the consignments delivered as a combined consignment would be covered with one transit declaration;
- to leave the transit declaration after the end the transit operation under the customs surveillance for verification of the correctness of the customs procedure, until the transit procedure would be discharged.

5. The principal is expected to carry out the following obligations:

- upon commencing a transit operation the principal submits at the customs office of departure:

- o a guarantee;
- o the commercial means of transport to be used for the transit operation;
- o the transit goods;
- o the customs declaration and supplementary documents necessary for a transit operation;
- o the identification of a representing person.
 - to deliver the transit goods within the prescribed time limit from the customs office of departure to the customs office of destination intact;
 - upon use of the comprehensive guarantee or in the case of the guarantee waiver to submit the report on the use of the reference amount within the period prescribed by the customs authorities;
 - to return the comprehensive guarantee certificate or guarantee waiver certificate to the Tax and Customs Centre within 30 calendar days from the termination of the validity term;
 - to pay the amount incurring from the customs debt.

6. Information

Supplementary information on acting as a principal can be obtained from:

- the regional Tax and Customs Centre;
- customs information (telephone (+372) 8800814; e-mail: tollinfo@emta.ee);
- an official performing the customs formalities;
- the website of the Estonian Tax and Customs Board in the Internet: www.emta.ee.