



Customs Advisory Group (CUSAG) Area-1, The Americas

Meeting with Seravicio de Admistracion Tributaria of Mexico (SAT)

March 17, 2009

**IATA Mexico City Offices
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Mexico**



AGENDA

Wednesday, January 14, 2009

08:30AM to 16:30PM EST

09:00AM

- Introductions (White)
- Explanation of the IATA Customs Advisory Group (White)
- Review of questions with carriers

10:15AM

- Review of questions developed by IATA regarding the development of the Mexican Government's new advance electronic cargo manifesting system with SAT representatives, Sr. Marcos Garcia and Sr. Alberto Martinez. (see attachment A below with answers)
- Other items that were discussed:
 - Development of an IT support group to discuss system development issues

12:30PM Adjourned

Attachments – A

ATTACHMENT A

Submitted questions by IATA

TIMING

1. What is the expected date of implementation for air transport?

Answer - The testing phase for the advanced cargo data is estimated to begin testing in August 2009. There is no set date at this time for mandatory implementation. The implementation is dependent of how well the testing period goes.

2. Will there be a mandatory compliance date with an allowed phase in period?

The ACT system is estimated to be ready for testing with airlines in mid August of 2009. It is recommended that airlines be ready at that time. Carriers will be not be penalized for not testing in August.

See question 4 regarding phase in period.

3. Is there an enforcement date planned?

Not currently known.

4. Will the planned mandatory date be for all Mexican airports?

It has not been determined by SAT whether this will be phased in at one time or by the airport level.

SAT would accept a recommendation from IATA on a phasing in approach. IATA Customs Advisory Group (CUSAG) will take recommendations based on carrier input to develop a proposal.

5. Conveyance reporting: Can it be done anytime what is the timelines? Will Customs send back a response for errors?

Conveyance message is part of the manifest message and is not a separate message set. The information is only sent when the manifest information is sent.

TESTING

1. Will there be a certification and testing phase?

SAT will advise verbally.

2. Is there is a testing phase, and if so how extensive is the testing?

Testing will occur until it is determined that everything is considered accurate.

3. Will third party IT suppliers be tested individually for one company or will they be allowed to test one time for all parties that they represent?

It is preferred that IT suppliers test with each carrier.

4. It is understood that SAT will only accept FWB information. Will you be able to take standard IATA Cargo Interchange Message Procedures (Cargo IMP)?

SAT only uses STANDARD EDIFACT in English, Spanish or French versions.

5. Who does a company work with to test messages and correction messages?

Contact either Marcos Garcia and/or Alberto Martinez) regarding questions on setting up testing or any questions. There will be a bulletin sent by SAT if testing becomes earlier than the expected mid-August 2009 date..

Contact information for Marcos Garcia, Sub Administrado, marcos.garcia@sat.gob.mx, +52 (55) 58 02 00 00, Extension 49034 or Alberto Martinez, alberto.martinez@sat.gob.mx, +52 (55) 58 02 10 00

ACTION: IATA advised that they would support SAT's communication efforts by posting current information on the IATA Cargo Facilitation website.

6. Does a carrier need to register their CSP in order to commence testing?

Yes. Contact Sr. Garcia or Sr. Pidel

7. What period of time will be allowed for testing?

As long as needed.

8. Will the Mexican Government assign a client representative as many other countries do to the air carrier/forwarder?

No. The only contacts will be Sr. Garcia or Sr. Martinez.

9. Will testing be done simultaneously by all those wishing to participate?

Yes.

10. Who is the contact at SAT to setup testing?

Send an e-mail to Sr. Garcia or Sr. Martinez to begin startup.

11. How will testing discrepancies be communicated?

Carriers will receive a file back with errors received. Once SAT has completed development they will send out a catalogue of error codes with definitions.

12. How soon will an acknowledgment be received?

Once the manifest is received by SAT the errors or acceptance message(s) will be sent back within seconds. The error messages can be fixed at anytime. Cargo will not be processed by the warehouse until the error messages have been fixed and resent by the carrier. Customs will send acknowledgment and advise the warehouse that the information has been corrected.

13. How will customs holds and other requests be advised?

Holds on cargo will be only given to the warehouses and not to the airlines.

SYSTEM ISSUES

1. Will SAT require the carrier to use a vendor (located in Mexico) to communicate with SAT or will they be able to transmit data directly?

Yes, carriers can send their data directly to SAT.

ACTION ITEM - IATA will send out a survey to determine carriers opinion whether they will have a local representative or a corporate representative to maintain the ACT website user name and password.

2. Are there any established error message codes? If so where can these are found? Will they be like Canada's?

Yes, but the error codes are different than the Canadian versions. SAT will send the error code catalogue at a later time.

3. What type of format will be used by SAT in response messages?

Acceptance codes will be as those of Canada. The error codes from SAT will be different. There will be no warning messages.

4. What address does cargo data go to?

No address has been established.

5. Are corrections allowed to be sent?

Yes.

6. If corrections are allowed to be sent, what is the process?

Resubmit the message with corrections and no label (update). It is preferred that the re-submittal be sent prior to the aircrafts arrival.

7. Will there be a customs control number?

No.

8. If there is a customs control number? If so, what format will the number be? If so, will the number be unique?

No.

9. Will sample response messages be provided?

*Customs latest version has the message layout. This can be found on their website.
http://www.aduanas.gob.mx/aduana_mexico/2008/servicios/144_10186.html.*

10. Will there be opportunities to make manifest corrections? If so when, prior, to arrival or after arrival?

Preferably corrections should be sent prior to arrival of the aircraft.

11. How will airlines be advised if data is not correct?

Incorrect data will be sent via an error message.

12. Will SAT be sending acknowledgement messages?

Yes.

OTHER

1. Will there be downtime guidelines?

Guidelines are still in process of being developed and will be sent out via a bulletin. If the carrier has an outage they will notify customs and send the manifest through Customs web portal. The guidelines for this will be established at a later time.

2. If so, when will that guide be provided?

See answer to number 1.

3. How will cargo holds be place on cargo?

Holds will be place only through the warehouse operator's manual process.

4. When will holds be placed on cargo?

It is expected that during the warehouse manual process the carrier sends the data and SAT will be sending the holds to the warehouse operators.

5. Will hold types be identified?

Same as they always have been.

6. What are the guidelines for timing on holds?

Same as number 3 above. Many carriers want a second notify for hold information.

7. If there is a system outage on the SAT side, what are the fall back arrangements?

SAT has this under review.

8. If there is a system outage on the carrier side, what are the fall back arrangements?

If the carrier has an outage they will notify customs and send the manifest through Customs web portal.

9. Can manifest reports be cancelled?

Yes, there is no time line for reuse of the master air waybill.

10. Can manifest reports be corrected?

Yes.

11. Can corrections be made to amend the report or a partial report?

Yes, you can correct and change to split. Cancel the manifest MAWB and then retransmit with the correct information and resend the message.

12. What if there is a difference in count found of the number of pieces? Can this be corrected?

Cargo not processed at the warehouse level until the carrier makes the appropriate corrections.

13. Will there be timelines for reporting amendments to manifest?

No.

14. If data sent by carriers is found to be not correct, how will airlines be notified? Customs error message?

Warehouse reports to the carrier the discrepancy and then corrects the air waybill report.

15. How will communication to the trade be sent regarding issues with the ACT system?

Bulletins will be issued to begin with. Possible development of a web based bulletin board later on.

16. Will shipments be allowed to move beyond the first port of entry into Mexico or to a foreign destination?

Acknowledge from Customs and then transfer. The transfer will be in the message. In-bonds will be handled the same way with Customs sending the information to the destination warehouse the airlines know which warehouse in a station the warehouse location is in the message

17. If shipments are allowed to move inbond, what is the electronic process?

Manifest message should be selected for this option which would include final destination and the warehouse bonded warehouse code.

18. How will company material (COMAT) be reported?

COMAT will be reported on air waybills with same information as general cargo.

19. How will company mail (COMAIL) be reported?

COMAIL is not reported.

20. How will be reported?

Air mail will be reported on an air waybill with the number of sacks, weight and the bonded warehouse identifier.

21. How will cargo be reported on flight diversions?

In the case of a diversion into a Mexican port from a planned non-Mexican port (ex: diversion from ELP to CJS) no manifest is required unless cargo is removed from the aircraft. If cargo is removed from the flight then a manifest will have to be filed with SAT using their web portal.

In the case of a diversion from a Mexican port to another Mexican port (ex: diversion from MEX to GDL), then the manifest should be resubmitted with routing changes on the air waybills.

EXPORT

1. Is there an export manifest required?

Yes, as per Mexican regulations, an export manifest is required and is identified with the export and import flag option.

2. Is export manifesting required at the same time as import manifesting?

Yes. SAT did advise there may be an option to delay the export testing requirement until first quarter of 2010. However it was recommended export manifesting should be ready at the same time as import manifest testing.

3. What data will the carrier be required to send for export.

The carrier will be providing data at the air waybill level for export manifest. The carrier export manifest will be required to be sent no later than 4 hours after actual departure.

4. What data will forwarder be required to send for export.

Forwarders will be required to send house air waybill information after departure.

5. Where can this information be found.

*The latest version can be found on the SAT website at:
http://www.aduanas.gob.mx/aduana_mexico/2008/servicios/144_10186.html*

PENALTIES AND MITIGATION

1. Will there be any penalty guidelines?

No penalties.

2. Will shippers, forwarders and/or their agents be responsible for fines and issued penalties for those errors when found non-compliant?

No penalties. Each party is responsible for their data. This includes the data of the carrier, broker, warehouse operator and forwarder.

3. Will there be mitigation guidelines issued?

Current Mexican Customs guidelines still apply.

4. Will carriers be issued penalties based on their overall compliance performance or by an individual level?

Neither. There are no penalties.

5. Can an IATA technical working group be established?

IATA will request assistance to form this ad-hoc group.

6. Can there be a communication network set up for other carriers?

IATA will support this effort as needed.