



IATA Intra-Customs Regime Movement Functional Specifications <IATA Cargo> <IDFS> <31/03/2009>

DOCUMENT CONTROL & DISTRIBUTION

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Distribution List

Approved copies of this document will be issued to:

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1 Introduction

1.1 Objective

As part of the IATA e-freight, this document is to give an overview of the business processes and electronic messages that could be implemented to support intra-Customs regime transportation of an IATA e-freight consignment.

It is important to note that this intra-Customs regime investigation and specification development is not conducted in isolation. It is an integral part of the IATA e-freight project and as such will be one of the forces creating and benefiting from the synergy of all parties involved.

1.2 Background

Stakeholders participating in the IATA e-freight project expressed a desire and a need to reduce the amount of paper being transported with cargo on domestic routes as well, not only the international ones. Although domestic typically means within one country, borders and border control are becoming a thing of the past in some regions, e.g. the European Union. Therefore, for the purposes of this specification, the only shipments considered are those that originate in one country and terminate in another but both countries and the movement are within one Customs regime.

It is also necessary to understand how such business is currently transacted, and whether it is necessary, or beneficial, for IATA to define standards by which such business should be transacted on an electronic basis, to enable the shipments involved to be handled as e-freight and obtain its full benefits.

For such e-freight shipments, the tasks involved would be to:

- a. Establish a clear definition for an intra-Customs regime e-freight shipment
- b. Determine the procedures that need to be followed when transporting such a shipment
- c. Determine the information that needs to be exchanged between the stakeholders in this scenario
- d. Identify appropriate existing standards that can be used to exchange this information
- e. Develop a plan to deliver appropriate standards where none exist

1.3 Definitions¹

AIR WAYBILL (MASTER): A document made out by or on behalf of the shipper, which evidences the contract between the shipper and airline(s).

CARGO MANIFEST: A listing of the goods comprising the cargo (freight) carried in a means of transport or in a transport-unit. The Cargo manifest which gives the commercial particulars of the goods, such as transport document numbers, consignors, consignees, marks and numbers, number and kind of packages, descriptions and quantities of the goods, may be used in place of the Cargo declaration.

CONSIGNEE: The person whose name appears on the air waybill or in the shipment record as the party to whom the cargo is to be delivered by the airline or its agent.

CONSIGNMENT: Is equivalent to the term "shipment", means one or more pieces of goods accepted by the airline from one shipper at one time and at one address, receipted for in one lot, and moving on one air waybill or one shipment record to one consignee at one destination address.

CONSIGNOR: Shipper in case of direct booking with Carrier or his agent.

FORWARDER: The party arranging the carriage of goods including connected services and/or associated formalities on behalf of a shipper or consignee. (*MacAndrews Shipping Dictionary*)

HOUSE MANIFEST: would contain similar information as a CARGO MANIFEST. For the purpose of the House Manifest this would list information for the house waybills associated with the forwarders consolidation. Depending on geographic locations, parties may use these terms as equivalents.

HOUSE WAYBILL: The document made out by an agent/consolidator that evidences the contract between the shipper and the agent/consolidator for the arrangement of carriage of goods.

INTRA-CUSTOMS REGIME MOVEMENT: means the transportation of a consignment (as defined herein) where the acceptance address and the destination address are in different countries but the countries and the movement between them are within the same Customs territory or regime, e.g. intra EU.

INVOICE

Document required by the Customs in an importing country in which an exporter states the Invoice or other price (e.g. selling price, price of identical goods), and specifies costs for freight, insurance and packing, etc., terms of delivery and payment, for the purpose of determining the Customs value in the importing country of goods consigned to that country.

PACKING LIST

Document specifying the distribution of goods in individual packages

¹ Other than the definitions for Broker, Forwarder, House Waybill, House Manifest, Cargo Manifest, Invoice, Packing List and Certificate of Origin the rest of the definitions are as per CSC Resolution 660 Attachment A Interline Traffic Agreement – Cargo; Article 1 - Definitions

SHIPPER. Equivalent to the term “consignor” means the person whose name appears on the air waybill or in the shipment record as the or in the shipment record as the party contracting with the airline(s) for carriage of goods.

1.4 Scope

1.4.1 Which consignments are in scope?

Consignments transported as Intra-Customs Regime movements (as defined herein) are the only consignments in the scope of this specification.

1.4.2 Which goods are in scope?

To start with, only the goods that are in free circulation within the regime, as indicated in the transport documentation/information, are being considered. In the case of the EU this means:

- goods whose Community status may be demonstrated (indicated by 'C').

1.4.3 Which goods are not in scope?

Not in scope are goods to be exported and which are not placed under a transit procedure (indicated by 'X')

Also not in scope at this time but which may be included at a later stage are:

- goods placed under the external Community transit procedure (indicated by 'T1')
- goods placed under the internal Community transit procedure (indicated by 'T2' and 'T2F')
- goods already placed under a transit procedure e.g. goods carried under the inward processing, customs warehouse or temporary admission procedure (indicated by 'TD')

1.4.4 Which stakeholders are in scope?

As there should be no typical Customs procedures involved, the stakeholders are considered to be:

- a. Shippers
- b. Freight forwarders
- c. Ground Handlers
- d. Airlines
- e. Arrival & Departure Authorities*

* Customs and perhaps other government agencies may play a limited role, as there are no official import & export declarations. However, depending on the location, presentation of flight manifest level information may be required at departure and/or arrival points.

1.4.5 Which documents are in scope?

Most of the required information to be exchanged between the stakeholders is included in the following documents:

- Shippers Declaration for Dangerous Goods
- Letter of Instruction*
- House Waybill
- House Manifest
- Air Waybill
- Flight Manifest

*Instructions could be provided in an unstructured format, e.g. phone call, e-mail, but a formal letter is preferable

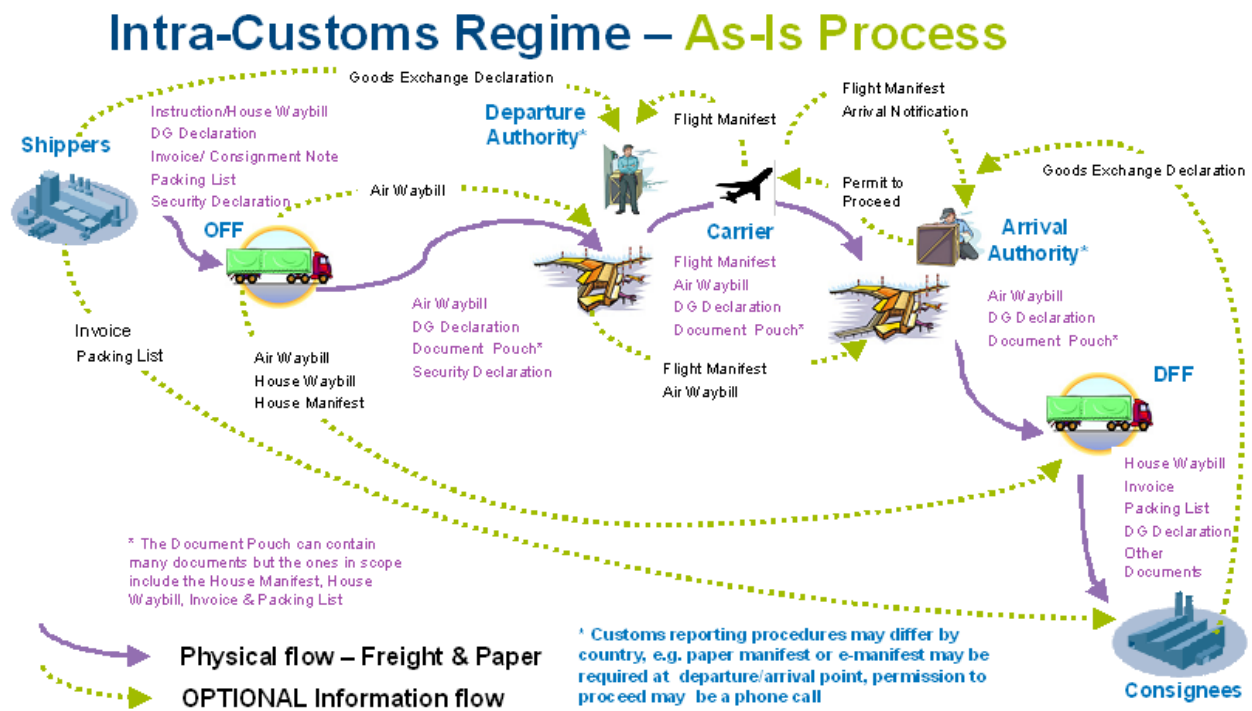
Excluded from the scope:

- Customs declarations – import & export, goods & cargo
- Customs releases – import & export
- Certificate of Origin
- Other documents, e.g. consignment note, special certificates, security declarations, forwarder freight invoice, truck manifest for road movement, etc., that are not in the current scope of e-freight and will therefore not be covered by this specification at this time although they may be covered in future versions.

1.5 As-Is Business Process

1.5.1 As-Is business process overview

The following high level As-Is business process is currently in place in most of the locations:



1.5.2 As-Is business process description

1. Shipper provides the Origin Freight Forwarder (OFF) with the Letter of Instruction (or it could be accomplished by other means, e.g. phone call but a formal letter is preferable), Invoice, Packing List, Dangerous Goods Declaration (if needed), possibly a consignment note and other documents, e.g. Security Declaration, along with the goods.
2. The OFF issues a house waybill to the Shipper.
3. Shipper has to provide the Departure Authority with a goods exchange declaration electronically.
4. Consignee may also be provided with electronic access to the trade documents, e.g. Invoice and Packing List by the Shipper, e.g. FTP
5. OFF provides the carrier at departure with the Air Waybill (Master) and perhaps the Security Declaration along with the pouch possibly containing the House Waybills, House Manifest, Invoices, Packing Lists, Dangerous Goods Declarations (if needed) and other documents along with the freight
6. OFF may provide the Destination Freight Forwarder (DFF) with electronic versions of the Air Waybill, House Manifest and House Waybills

7. OFF may also provide the Carrier with electronic versions of the Air Waybill
8. Carrier provides the Departure Authorities with a copy of the Flight Manifest in either electronic or paper format (depending on the location) on request
9. Carrier provides its arrival station with electronic versions of the Flight Manifest and Air Waybills
10. Carrier transports the freight and the documents to the arrival station
11. Carrier provides the Arrival Authority with a copy of the Flight Manifest in either electronic or paper format (depending on the location) on request. Carrier may also have to provide the authority with an arrival notification and obtain permission to proceed with further movement, which could even be by phone.
12. Carrier hands the freight over to the DFF along with the Air Waybill (Master), Dangerous Goods Declarations (if needed) and the "pouch" containing the House Waybills, House Manifest, Invoices, Packing Lists, and other documents
13. DFF delivers the goods to the Consignee along with the House Waybill, Invoice, Packing List, Dangerous Goods Declarations (if needed) and other documents
14. Consignee has to provide the Arrival Authority with a list of goods received, although this may be done on a monthly basis

1.5.3 As-Is business process concerns

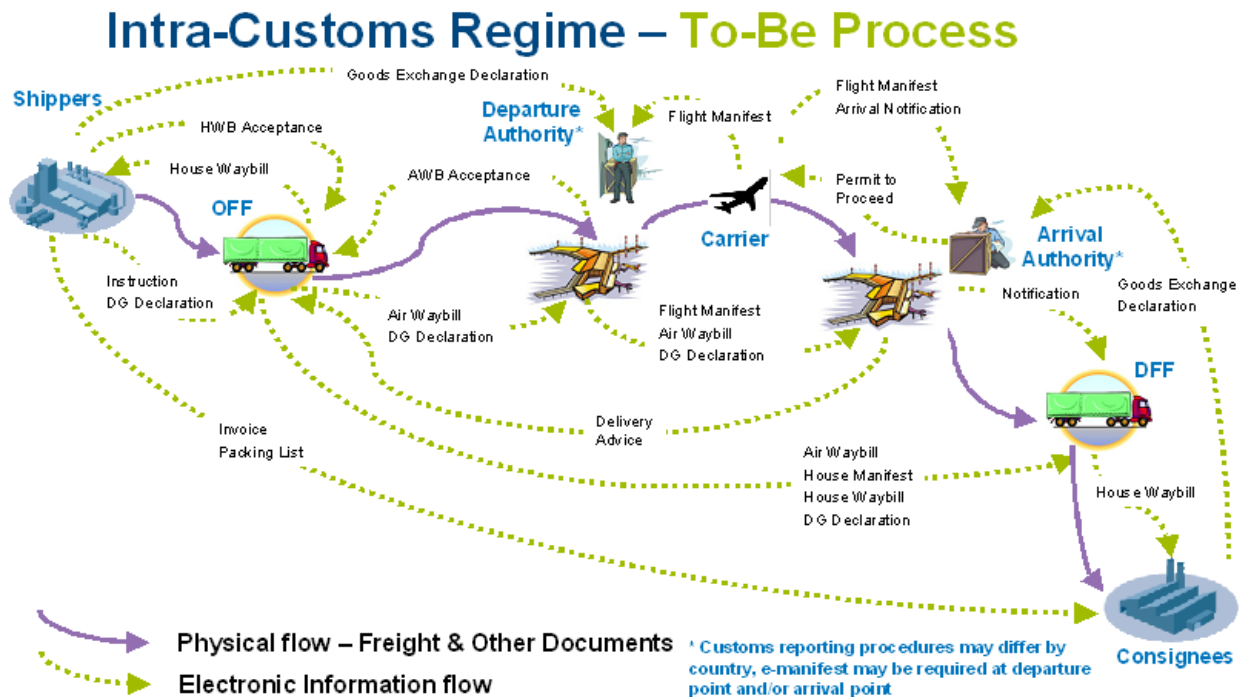
The issues identified during the As-Is discussions are:

- Too much manual data entry and opportunities for mistakes
- Too much paper handling
 - Printing
 - Scanning
 - Sending
- Too many ways of communicating the same information
 - Paper,
 - E-mail (PDF)
 - EDI
- Too few EDI capabilities & options available
- Limited XML over the internet capability
- No clear awareness of what EDI standards should be used

2 To-Be Business Process

2.1.1 To-Be business process overview

The following high level To-Be business process is envisioned for e-freight locations:



2.1.2 To-Be business process description

1. Shipper provides the Origin Freight Forwarder (OFF) with electronic versions of the Letter of Instruction and Dangerous Goods Declaration (if needed) and other documents (not in scope) along with the goods
2. OFF provides the Shipper with an electronic house waybill
3. Shipper electronically accepts the electronic house waybill.
4. Shipper also has to provide Departure Authority with a goods exchange declaration electronically.
5. Consignee may also be provided with electronic access to the trade documents, e.g. Invoice and Packing List by the Shipper, e.g. FTP
6. OFF provides the carrier at departure with the electronic versions of the Air Waybill (Master) and Dangerous Goods Declarations (if needed) along with the freight
7. Carrier provides the OFF with an electronic acceptance
8. OFF provides the Destination Freight Forwarder (DFF) with electronic versions of the Air Waybill, House Manifest, House Waybills and Dangerous Goods Declarations (if needed)

9. Carrier provides the Departure Authority with an electronic version of the Flight Manifest on request
10. Carrier provides its arrival station with electronic versions of the Flight Manifest, Air Waybills and Dangerous Goods Declarations (if needed)
11. Carrier transports the freight and any other documents (not in scope) to the arrival station
12. Carrier provides the Arrival Authority with an electronic version of the Flight Manifest on request. Carrier may also have to provide the authority with an electronic arrival notification and obtain permission to proceed with further movement electronically.
13. Carrier electronically notifies the DFF that the freight has arrived and hands the freight over to the DFF along with any other documents (not in scope)
14. Carrier advises the OFF of the delivery
15. DFF delivers the goods to the Consignee along with the House Waybill
16. Consignee has to provide the Arrival Authority with an electronic list of goods received, although this may be done on a monthly basis

2.1.3 To-Be Standard Electronic Messages

As part of IATA e-freight some standards are recommended. For the sake of consistency at this time the following available standards are recommended for use in an e-freight environment between the parties:

Document Type	Organisation	Standard	Message
Invoice	IATA	UN/CEFACT XML	Invoice
Packing List	IATA	UN/CEFACT XML	Packing List
Shipper's Declaration for Dangerous Goods	IATA	UN/CEFACT XML	Shipper's Declaration for Dangerous Goods
Letter of Instruction	IATA	UN/CEFACT XML	Letter of Instruction (to be developed end of 2009)
House Waybill	IATA	CIMP	FZB
House Manifest	IATA	CIMP	FHL
Air Waybill	IATA	CIMP	FWB & FSU (RCS)
Flight Manifest	IATA	CIMP	FFM
Goods Exchange Declaration	EC Member State (MS)	MS Dependant	MS Dependant (WCODEC function)

Arrival Notification	EC Member State (MS)	MS Dependand	MS Dependand (WCOCAR function)
Permit to Proceed	EC Member State (MS)	MS Dependand	MS Dependand (CUSRES function)

It should be noted that IATA is currently undertaking the XML development of key CIMP messages, including the FZB, FHL & FWB.

Any discussions regarding development of message standards for use by Freight Forwarders will of course include Freight Forwarder representation coordinated with FIATA and their regional associations.

3 Benefits of the proposed solution

Implementing the proposed solution based on the business and technical requirements identified during the To-Be discussions would bring the following benefits:

- Reduced manual data entry and opportunities for mistakes
- Less paper handling
 - Less printing
 - Less scanning
 - Less sending of scanned images
- Less duplicated communication of the same information
- Use of identified available EDI standards
 - Less development effort when integrating the electronic standards

Annex 1

MESSAGE SPECIFICATIONS

The Invoice specifications of the Invoice can be provided. Please contact IATAe-freight@iata.org.

The specifications of the Packing List can be provided. Please contact IATAe-freight@iata.org.

The specifications of the Certificate of Origin can be provided. Please contact IATAe-freight@iata.org.

The specifications of these IATA standard electronic messages are described in the Cargo Interchange Manual Procedures (CIMP) that can be accessed and purchased at the following URL: <http://www.iata.org/ps/publications/cimp.htm>