



IFCWG & EU Meeting Minutes 29th May, Brussels

Participants:

EU Commission
EU Commission
EU Commission
Air France
Cathay Pacific
British Airways
Lufthansa Cargo
Japan Airlines

United Airlines

FIATA/BIFA
IATA
IATA
EEA/Fedex
EEA/DHL
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Introduction

EU Taxud did a presentation on ICS as a reminder but also to highlight the changes made since the last IFCWG-EU workshop held in December 2007.

DG TAXUD reported:

- *Regulation 1875/2006 will be amended and the target date for final text is June 08*
- *Concerning the step 1 "Entry Summary Declaration"*
 - *The fact that amendments will be sent to carrier still needs to be discussed as there is concern about issuing too many messages*
 - *The legal onus is on the carrier to ensure that an ENS is submitted*
 - *Duplicate entries should be avoided*
 - *The carrier will be advised of the MRN number obtained by an ENS*
- *Concerning the (optional) step 2 "Diversion request"*

- *A new article 183e in Regulation 1875/2006 will be inserted to specify that the unique key is sent to the declared office of first entry and Annex 30a will be updated with a new table*
- *The unique key is defined as mode of transport/flight number/arrival date/office of first entry*
- *Concerning the step 3 "Arrival notification"*
 - *A new article 184g will be added in Regulation 1875/2006*
 - *The arrival notification falls under national competency so specifications and format depend on Member States (MS)*
 - *This is a requirement for all goods on board including FROB (freight in the aircraft even if doesn't enter the EU)*
 - *The arrival notification is sent by the operator of the aircraft to the actual first office of entry only so it is not provided to subsequent office of entries*
 - *If a risk is identified then subsequent offices would be advised of the risk*
 - *A part from national data requirements the "entry key" or the MRNs for the related ENS are required*
- *Concerning the step 4 "freight presentation"*
 - *Presentation of goods is a national matters except for the information exchanged between customs (IE302 and 303)*
 - *Process C03 can be used by national administrations but doesn't reflect the scope (this is for information purposes for now)*
- *General comments*
 - *As far as the ENS and the diversion request are concerned, the structure, content, codes and validation are binding but the technical format XML, EDIFACT... are defined by member states (mainly XML)*
 - *Legal provisions for EORI were adopted on 25 April 2008*
 - *Member States were surveyed and the results can be viewed on the EC web site*
 - *Any party anywhere can obtain an EORI number; the COM will publish a list of authorities assigning EORI numbers on its website*
 - *Special circumstances indicator 'E' can be used by an AEO if he wants to provide for the reduced data set. The Person lodging the ENS and all consignees indicated in an ENS must qualify*
- *European Customs Info Portal (ECIP)*
 - *The ECIP will be a web site information for the trade community on guidelines and advises to make successful customs transactions*
 - *Direct links to national customs web portal will be provided with the agreement of the member states*
 - *This web site will not be for customs declaration download or upload*
 - *The target deadline for implementation is Feb. 2011*
 - *A first introduction will be made to the Trade Contact Group on 11 July*

1. Import Customs System

(TAXUD 1043/2006 Version 6.2 & Reg. 1875/06 - Annex 30A)

IFCWG asked for some clarifications on some open points that were not closed after the previous IFCWG & EU workshop in December 2007:

Consignor and consignee – could it be the freight forwarder?

DG TAXUD reported:

- *The consignee has to be the party to whom the goods are actually consigned but sometimes it is not possible to know the name of the final recipient so Annex 30 A may be updated*
- *The consignee and consignor declared should be the original and final ones, e.g. seller and buyer*
- *If the information re the consignee is too vague (e.g. unknown forwarders) then risk analysis may raise issues*

Conveyance Reference Number composition (Carrier code + flight number) and format should be confirmed (should not use AA1 but AA001)

DG TAXUD reported:

- *The conveyance Reference Number composition is the Carrier code + flight number*
- *It is trade responsibility to ensure compliance to this standard (IATA or other) format but agreed that the format could be re-discussed to reduce errors.*

Trade should not have to re-submit Entry Summary Declaration data to office of entry or subsequent offices of entries

DG TAXUD reported:

- *Trade will not have to re-submit the ENS to sub-sequent offices of entries (since the current Art. 184e, last paragraph will be amended); (similar for the Arrival Notification)*

IFCWG asked for some clarifications on Cargo description (TAXUD 1402/2007):

What are the acceptable cargo descriptions? Where can they be accessed?

DG TAXUD reported:

- *The acceptable and non-acceptable commodity code descriptions are in the document TAXUD 1402/200 that is also available on the TAXUD website indicated in the presentation. This document will be regularly updated.*
- *The 4 digit (HS commodity) code in Annex 30a is optional and can be used.*

IFCWG members mentioned that the Air transport Industry prefers an aggregation per HAWB and risk analysis could be performed on string (text) even if there are

multiple descriptions. IFCWG members reminded the complexity for forwarders and carriers to have description per lines.

DG TAXUD reported:

- That there is nothing in Annex 30A that prevents Trade of merging goods of different commodities in one single goods item, but then the commission could be pressured to consider moving to HS code. EU reminded the limitation of 356 characters and indicated that the EC list had been based on the US list.

IFCWG asked for some clarifications on the Entry Summary Declaration data:

Loading and unloading points should be ISO country code + IATA airport codes

DG TAXUD reported:

- Loading and unloading points are free text but the country code ISO (2 digits) is mandatory (country codes of the customs offices are required).

- IFCWG members will recommend their members to insert the Country code + the IATA Airport code

IFCWG asked if the kind of package can be defaulted to only one kind for air and can the package information be limited to number of pieces or number of packages since air only has piece count.

DG TAXUD reported:

- DG Taxud reminded that 3 types of information; kind of packages (from UN recommendation) then number of pieces and then the shipping marks are requested.

- IFCWG mentioned that the kind of package should not be mandatory but EU clarified that this cannot be changed.

Re-use of MRN number for split shipments)?

DG TAXUD reported:

- Arrival notification and presentation of goods are up to the member states and this should now be dealt at national level.

- IFCWG members mentioned that if this has to be investigated with each member states then the process will be “painful”?

- DG Taxud proposed to bring forward this issue dedicated to Air transport and discuss it in a workshop or discuss it in a next ICS meeting.

Inconsistency between rule 899 (characters 3 & 4) and structure of MRN (2 first digits are the year)

DG TAXUD reported:

- DG Taxud agreed and will correct the rule 899 as the MRN structure prevails.

IFCWG asked for some clarifications on the Arrival Notification:

IFCWG asked again if the kind of package can be defaulted to only one kind for air and can the package information be limited to number of pieces or number of packages since air only has piece count.

DG TAXUD reported:

- The answers are similar to the one for the Entry Summary Declaration.

IFCWG mentioned that the cargo manifest format should remain status quo if not electronic. If electronic then it should be the Arrival notification message.

DG TAXUD reported:

- The Arrival Notification specifications are up to the member states.

IFCWG identified that both the MRN and unique conveyance id are mandatory in the specifications. Perhaps only one e.g. the unique conveyance id may be used?

DG TAXUD reported:

- The Arrival Notification is not in scope of ICS so far and should be considered as guidance by the member states. Specifications may be updated later on.

IFCWG asked for some clarifications on the timelines of implementation:

IFCWG mentioned raised some concerns on the 1st of July 2009 timelines:

- Many Member States specifications will not be provided on time
- Too little time for trade and transport to be ready
- 24 months are required after national technical specs are ready
- An updated state of play for the ICS national plans is required
- National implementations plan for ECS phase 2 / NCTS phase 4 are required.

DG TAXUD reported:

- The state of play is on CIRCA. When all information is available then it will be on the website (scheduled for end of June 08). It will include ECS phase 2 & NCTS phase 4.

- The EU Commission will help the member states to meet the July 09 deadline.

- The specifications for Entry Summary declaration are now quite stable and should be shared with IATA and FIATA members to start working on it.

- The information required by member states is already known but not the technical specifications.

IFCWG was concerned that the EC seemed to underestimate the resources and workload that industry would have to bear to develop applications that can handle multiple formats

IFCWG asked for some clarifications on the FROB (Freight remaining on board):

IFCWG would like to determine when and how FROB needs to be reported?

DG TAXUD reported:

- The Entry Summary Declaration and Arrival Notification are required for all goods on board including FROB.

- Some figures related to FROB need to be provided such as the potential number of Entry Summary declaration.

- IFCWG members mentioned that it could be provided but at high level with some hypothesis.

- EEA mentioned that some figures could be provided at high level (number of flight).

IFCWG asked for some clarifications on control notifications:

IFCWG would like to determine who is informed of potential customs intervention and controls (Carriers? Carriers AEO)?

DG TAXUD reported:

- Legally notifications are only sent to AEOs and MS can send this information in advance. This is true only if the person lodging the declaration is a safety and security AEO. If a third party has lodged the declaration then the carrier is not informed.

- DG Taxud team managing the AEO is aware of this concern and is taking care of this. It may be amended later on in the context of the Modernized Customs Code..

IFCWG asked if traders are informed of preventive measures at subsequent ports?

DG TAXUD reported:

Risks analyses are transmitted to subsequent ports but they can perform their own risk analysis or they can take their own decisions. The intention is that the AEO who lodges the declaration is informed about no load decisions and about controls to be performed at the Office of first Entry.

- IFCWG members asked why the subsequent port is not informing the AEO of preventive measures/control that will be performed at subsequent port.

- *DG Taxud clarified that it is covered by the legislation.*

IFCWG asked for some clarifications on diversions:

IFCWG would like to know what is the process in case an airline lands in the EU but it was not planned, e.g. emergency situation?

DG TAXUD reported:

- *EU mentioned that the ENS would have to be provided immediately according 184c. It is a legal issue that needs to be brought back to CCC.*

- IFCWG mentioned that electronic ENS can not be done so a Submission will be made on this issue.

IFCWG members mentioned that where a diversion occurs in a code share situation, the operating carrier should be able to make the diversion request on behalf of the other code share carriers.

DG TAXUD reported:

- *A new article 183e of Taxud 2007/2008 is being created and clarified that the operating carrier or his representative can lodge the diversion request*

IFCWG asked for some clarifications on EORI (TAXUD C1/1435/2007 rev. 5 EN):

The Consignor and the Consignee EORI should be entered only when known

DG TAXUD reported:

- *That Annex 30A was about to be amended and mentioned that EORI number – in the context of ENS - for consignor and consignee are optional but when known it should be provided*

Where can a party apply - on the web, if so what is the link?

DG TAXUD reported:

- *The Commission shall publish this information on the Internet but for the time being member states would give the competent authorities.*

Can the EC confirm that non-EU operators who lodge the declaration need to get an EORI number even if not they are not established in Europe?

DG TAXUD reported:

- *The EORI of the person who lodges the declaration is mandatory.*

IFCWG mentioned that transit cargo find a way around Europe

IFCWG mentioned that administrative burdens associated with reporting may impact Member States' economies adversely.

IFCWG asked for some information on the EC Web portal Communications

Where can we find all specifications & information?

DG TAXUD reported:

- As described in the introduction the European Customs Info Portal (ECIP) will information.???

Is there any web link provided by national administration to lodge declaration manually?

DG TAXUD reported:

- The web portal to lodge declaration is a national decision..

IFCWG asked about the Single European Access Point (SEAP) to channel all electronic messages to one hub?

DG TAXUD reported:

- SEAP is not in short time plan and should be reviewed later on at the same time as central clearance.

Export Customs System

IFCWG asked where are the technical specifications?

DG TAXUD reported:

- MS should deliver the technical specifications

IFCWG asked what are the implementation plans for ECS?

DG TAXUD reported:

- ECS phase 1 exists but this is not mandatory until July 2009.

- From July 2009 ECS will cover the security and data element (more messages) and MS should deliver the technical specifications.

IFCWG mentioned the fact that the Export Accompanying Document (EAD) is a paper document that has to accompany an air waybill, which will seriously hinder the implementation of e-freight in Europe.

IFCWG mentioned that paper EAD shouldn't be required. Are there any plans to remove it?

- IFCWG members suggest that an alternative to the paper EAD should identify for the Air industry especially because the industry is moving to e-freight. This will also be beneficial for the Customs.

DG TAXUD reported:

- that the EAD was needed for the current Export Control System

- DG Taxud could consider this suggestion and perhaps organize a specific workshop on this issue.

- IFCWG should make a submission to explain why this is an issue and to suggest some solutions.

Open issues lists

IFCWG asked an update on EU open issues list TAXUD 1603 & 1853

IFCWG members asked clarifications on point 6 of the issue re "removal of foot note, "coded version where available" and make reference to EORI that should only be in if known

DG TAXUD reported:

- DG Taxud is aware and will review this concern as part of reviewing the regulations 1875.

Fallback – Business continuity plan

IFCWG clearly stated that:

- **High availability system is needed.**
- **Paper is not an option.**
- **Business Continuity should not cover Member States that will not be ready in time.**
- **When systems fail the status quo should apply, e.g. in the UK import and export are already electronic processes so expecting paper would be a backward step.**

DG TAXUD reported:

- This has been discussed at last ECG and simplifications could be applied to AEO.

- A meeting is scheduled on 25th of June with trade to review the fallback proposals.

Summary of DG Taxud & IFCWG Actions

1. DG Taxud will provide the reference of the document on CIRCA that describes the format accepted by member states
2. DG Taxud will discuss with trade the issue related to split shipment and the re-use of the MRN
3. DG Taxud will come back to IFCWG if a list of aggregated competent authorities to deliver EORI when available.
4. IFCWG members will try to provide an estimated number of Entry Summary Declaration for FROB
5. IFCWG will send a submission to the Commission on the fact that and ENS cannot be done in case of emergency landing
6. IFWG will make a submission to explain why the paper EAD is an issue and to suggest some solutions