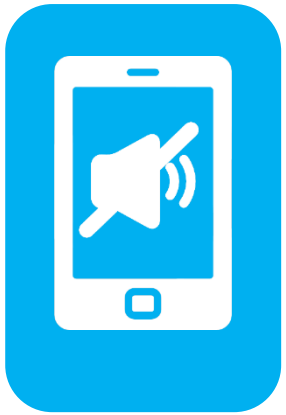
2023 PLACI Compliance Requirements Session

1 – 2 November 2022
IATA Office, Geneva, Switzerland

2023 PLACI Compliance Requirements Session

Welcome & Introduction

Brendan Sullivan, Global Head of Cargo, IATA



Public Wifi:
IATA-GUESTS

4th floor

coffee break

Thank you to our sponsors!

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IATA Competition Law Guidelines

Do not discuss:

- Pricing, including fares, service charges, commissions, etc.
- Bids on contracts or allocation of customers
- Geographic/Product market allocations and marketing plans, including
  - Expanding or withdrawing from markets
  - Group boycotts
  - Your commercial relations with agents, airlines or other third parties
- Any discussion aimed at influencing the independent business decisions of your competitors

Delegates are cautioned that any discussion regarding such matters or concerning any other competitively sensitive topics outside the scope of the agenda, either on the floor or off, is strictly prohibited.

AGENDA – Day 1

10:00 – 10:10	**Welcome & Introduction** **Brendan Sullivan**, Global Head of Cargo, IATA
10:10 – 10:20	**Setting the scene** **Christian Piaget**, Head Cargo Border Management , IATA
10:20 – 11:00	**EU advance cargo information requirements for air transport starting from March 2023 (ICS2)** **Klemen Oven**, Head of Sector, Risk Management & Security Unit, EU Commission – DG TAXUD **Renata Pauliukaityte**, ICS2 Business Transformation Manager, Risk Management & Security Unit, EU Commission – DG TAXUD
11:00 – 11:45	**Q&A session on EU-ICS2 implementation** **Christian Piaget**, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions, IATA
11:45 – 12:30	**EU ICS2 impacts on the industry - what are the IATA tools available to facilitate industry compliance?** **Tahir Syed**, Manager Cargo Solutions, IATA
12:30 – 13:30	**Lunch break sponsored by CHAMP Cargosystems**
13:30 – 14:15	**Airlines' perspectives** **Rani Joseph George**, Chair of the IATA Cargo Messaging Working Group and Senior Manager Customs & Authorities, Lufthansa **Gordon Wright**, VP Customs & Regulatory Affairs EU, DHL Express Europe
14:15 – 14:30	**Ground handlers' perspectives** **Lawrence Cockburn**, Business Systems, DNATA
14:30 – 14:45	**Freight forwarders' perspectives** **Andreas Whilelm**, Global Security Manager, Kuehne + Nagel
14:45 – 15:00	**Q&A** **Christian Piaget**, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions, IATA
15:00 – 15:30	**Coffee break sponsored by CHAMP Cargosystems**
15:30 – 16:30	**Mail filing & postal perspective** **Javier Garcia**, Customs Programme Expert, Universal Postal Union **Jörgen van Mook**, Head of Network Management & Innovation, IPC **Mette Boisen**, International Process Manager ,PostNord
16:30 – 17:00	**Q&A** **Christian Piaget**, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions, IATA

AGENDA – Day 2

09:00 – 09:15 — **Welcome & Recap of day 1**
Tahir Syed, Manager Cargo Solutions, IATA

09:15 – 09:45 — **2023 PLACI programs in a nutshell**
Brook Carrothers, Manager, Pre-load Air Cargo Targeting (PACT) Program, Transport Canada

United Arab Emirates - National Advance Information Center Team

09:45 – 10:30 — **Panel discussion with regulators (CA, UAE, UK)**
Moderators:
Christian Piaget, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions

Panelists:
Brook Carrothers, Manager, Pre-load Air Cargo Targeting (PACT) Program, Transport Canada

United Arab Emirates - National Advance Information Center Team

United Kingdom Border Force

10:30 – 11:00 — **Coffee break**

11:00 – 12:00 — **Panel discussion with Airlines, Freight Forwarders, Ground Handlers and IT Solution Providers**
Moderators:
Christian Piaget, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions

Panelists:
Rani Joseph George, Chair of the IATA Cargo Messaging Working Group and Senior Manager Customs & Authorities, Lufthansa
Luis Leon Hinojosa, Senior Business Support Officer, CHAMP Cargosystems
Andreas Whilelm, Global Security Manager, Kuehne + Nagel

12:00 – 13:30 — **Lunch Break**

13:30 – 14:30 — **PLACI Solutions**
Luis Leon Hinojosa, Senior Business Support Officer, CHAMP Cargosystems

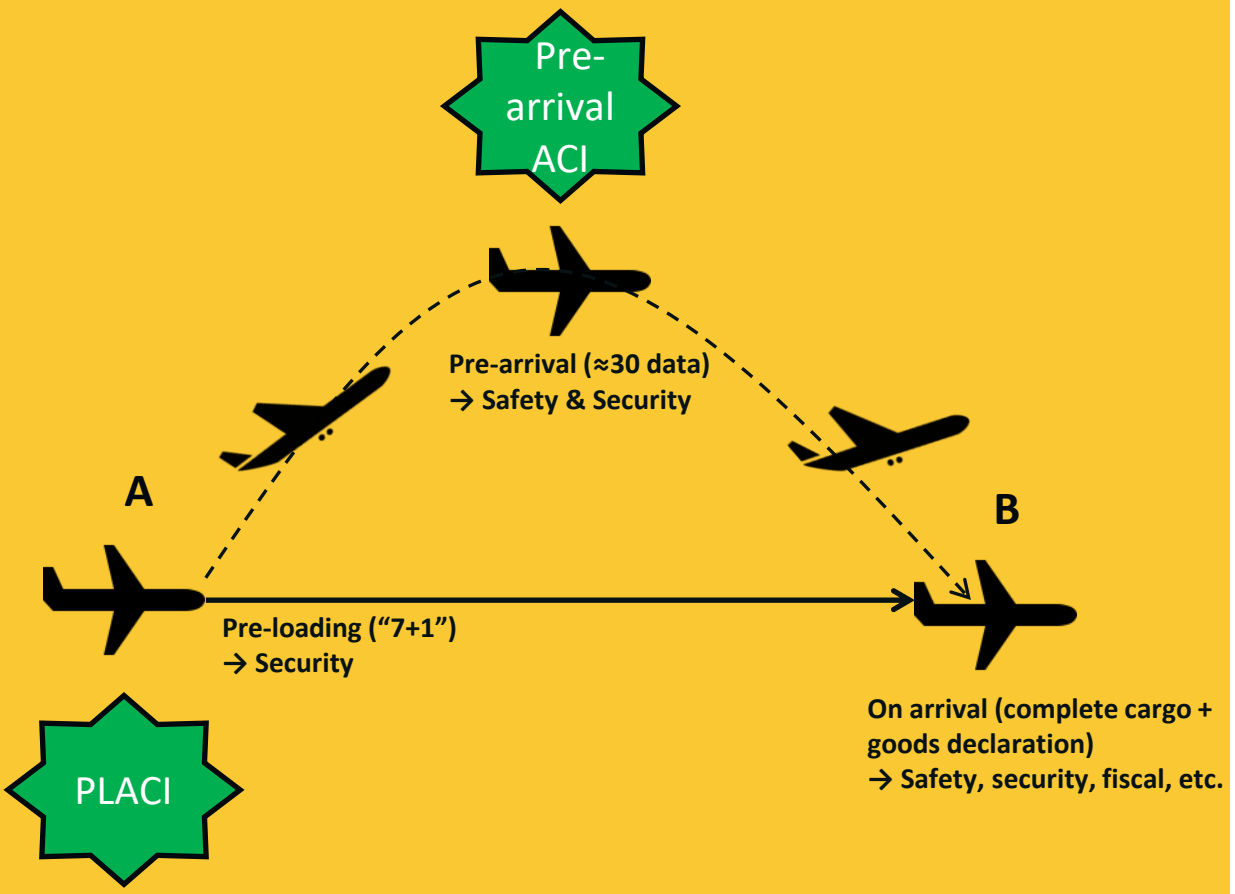
14:30 – 15:00 — **Way forward & Closing**
Christian Piaget, Head Cargo Border Management & **Tahir Syed**, Manager Cargo Solutions

2023 PLACI Compliance Requirements Session

Setting the scene

Christian Piaget, Head Cargo Border Management, IATA

New Security Regime & Air Cargo Security Risk



- Reacting to security threats and incidents, WCO and ICAO have jointly introduced an additional layer in the management of air cargo security risk.
- Customs and aviation authorities are increasingly enforcing new security protocols to identify and mitigate ‘bomb in the box’ from being loaded onto aircrafts.
- Airlines and freight forwarders must ensure compliance with these new security directives otherwise face consequences.

What are the current PLACI initiatives?

United States (US)

ACAS - Air Cargo Advance Screening

European Union (EU)

EU Import Control System (ICS) 2

United Kingdom (UK)

PREDICT - Pre-Departure Information for Cargo Targeting

Canada (CA)

PACT - Preload Air Cargo Targeting

United Arab Emirates (UAE)

NAI Center – National Advance Information Center

Other governments are expected to follow similar initiatives

What is the status of current PLACI initiatives?

US ACAS

- June 2018: implementation
- June 2019: enforcement

EU ICS2

- March 2021: Release 1 (Express + Posts)
- March 2023: Release 2 (all Air Cargo + Mail)

Canada (CA)

- Q4 2022: draft regulations
- Q3-Q4 2023: final regulation and implementation

UK PREDICT

Development phase:

- April 2020: initial pilot
- Q1-Q2 2023: upscaling
- After April 2023: new data connections

UAE PLACI

- 2018-2019: legislation passed
- Phase 1 (in progress): before departure
- Phase 2: before loading

What are the consequences of non-compliance?

- Sanctions on carriers, incl. financial penalties
- Cargo will be stopped at the border
- No customs clearance of goods
- Unnecessary interventions
- Rejection of poor-quality declarations

What is required by PLACI initiatives?

- Adapt new set of procedures e.g.
  - Get Customs OK TO LOAD ("*Assessment Complete*") prior to loading
  - Setup 24 x 7 contact to manage customs risk assessment responses ("*Referrals*")
  - Immediate action for DO NOT LOAD (*DNL*)
- Upgrade IT systems for exchange of information with customs
- Take steps to ensure high-quality, precise data is provided
- Support desk & Training to staff
- Upgrade hub compliance units

Why EU-ICS2 is so impactful?

Must provide additional data for cargo shipments & advance data for Mail consignments therefore Cargo-XML standards are mandatory

- C-IMP doesn't support EU-ICS2 data requirements
- Mail Consignments are subject to pre-arrival filing requirements
- HS Code mandatory (minimum 6 digit)
- Cargo-XML standard is mandatory
- Postal Air Waybill# use is mandatory
- Conversion Solution UPU to IATA Cargo-XML Messaging

FF can file house data, but Carrier is responsible Carrier need to further cascade customs referral

- FF House Waybill filing with or without Master Air Waybill#
- Self filing FF must provide data & Customs response to Airline
- Carrier may refile the already filed House Waybills by FF
- Discrepancy between FF and Airline is going to be monitored
- Co-Loaders must provide share House Waybills to airlines

Must get Member State OK prior acceptance/loading Referral must be resolved prior loading

- Shipment Risk Assessment status can change
- Immediate Action Do Not Load
- Visibility on latest risk outcome (entire network)
- Interline partner must provide Customs OK
- Must get Member State OK prior loading
- New SOPs to resolve referrals

Components of EU-ICS2 Compliance

Key element: collaboration!

A few examples

- The provision of HS codes (minimum 6 digits) in addition to goods description is conditional (i.e. mandatory except for "natural persons")
- Mail Data Filing is mandatory
- Consignee Type of person is mandatory.
- EORI becomes mandatory for several parties (declarant, IT provider, Consignee, Shipper)

How does IATA help?

- Standards through Boards and Working Groups (CBMB, AMB, COTB)
- Advocacy with regulators
- Dissemination of PLACI documentation
- Industry Engagement & Communication
  - April 2022 public webinar (> 500 participants), cf. IATA Knowledge Hub ("Getting ready for new air cargo PLACI regulatory requirements")
  - This meeting!
- Publications, Products and Tools

2023 PLACI Compliance Requirements Session

EU advance cargo information requirements for air transport starting from March 2023 (ICS2)

Klemen Oven, Head of Sector, Risk Management & Security Unit, EU Commission – DG TAXUD

Renata Pauliukaityte, ICS2 Business Transformation Manager, Risk Management & Security Unit, EU Commission – DG TAXUD

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EU advance cargo information requirements for air transport starting from March 2023 (ICS2)

Industry session on compliance with 2023 PLACI requirements for air cargo - IATA
Geneva, November 1st 2022

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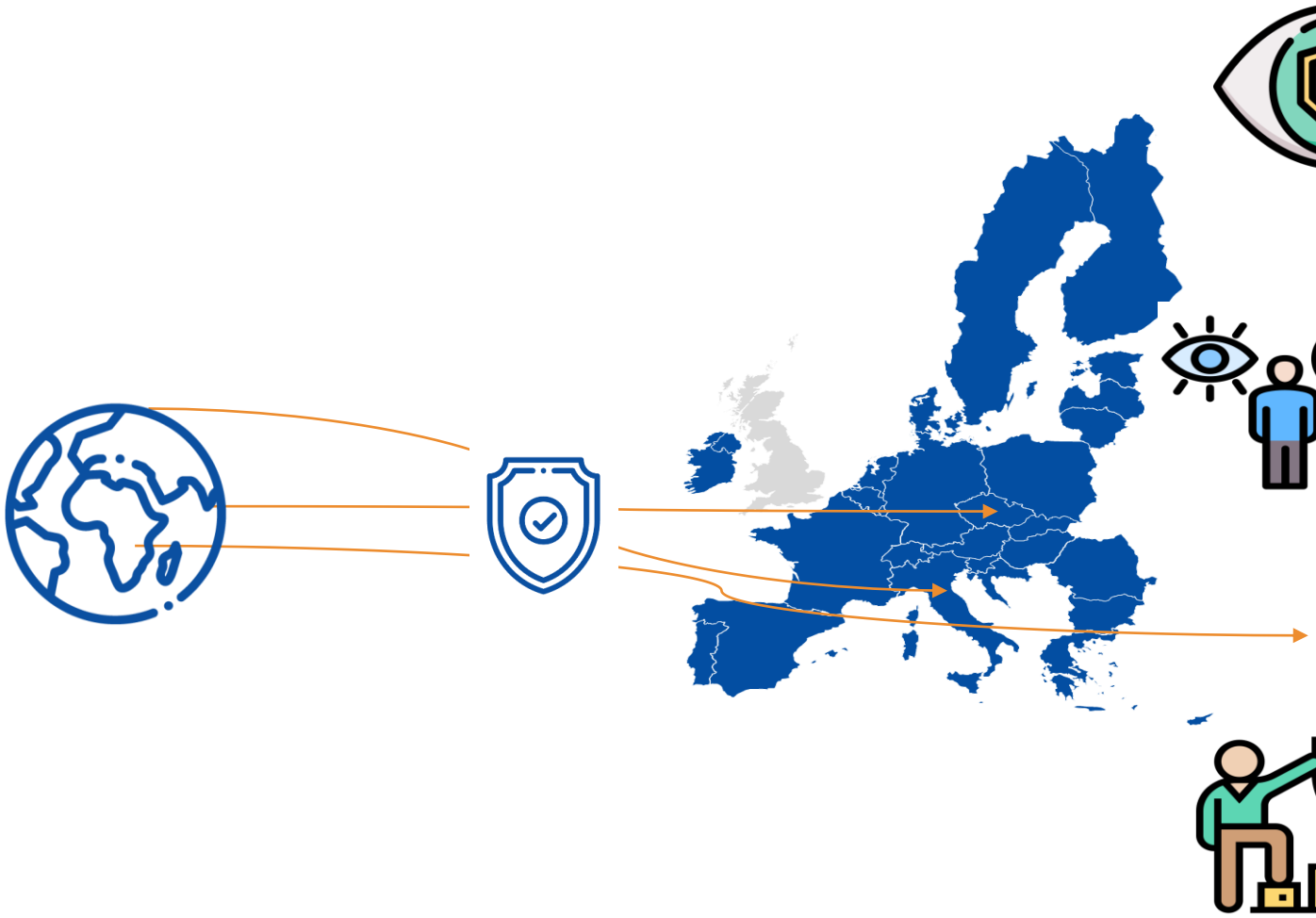
- General overview
- More detailed requirements
- Final points of attention

European Commission

ICS2 objectives within common risk management framework



Supervise and monitor flow of goods to EU by collecting data in advance of arrival

Anticipate risks and facilitate legitimate trade via joined up risk analysis based on national and EU capabilities

Mitigate safety and security risks: detect, intervene or control where required in a coordinated way

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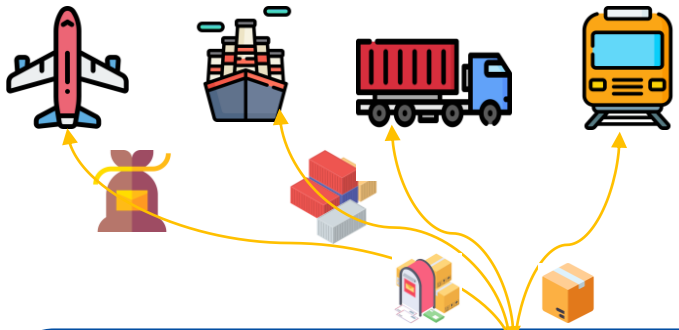
ICS2 – how it works?



Carriers, freight forwarders, postal operators, express carriers and couriers, ETOEs..

send ENS data on:
- Transport means
- Individual consignment (who sends what to whom)

ICS2
Shared Trader Interface

ICS2
Common Repository

Single access point for trade
Validates, reject, accept ENS filings and other messages

Central component
Validates, orchestrates real-time collaboration among MS, provides state-of-art analytics for MS and COM use

ICS2
30 National Entry Systems and officials from EU-27, CH, NO, UK-NI

Perform and co-ordinate risk analysis, allocate controls, process presentation, perform and record controls

Intervention logic – assess in advance intervene where required

Safety and security risks

Conditions to Up- or Downgrade elements from a tier to another:

- Is it an immediate threat?
- Is it life threatening?
- May goods potentially disappear?
- What is the significance of a potential infringement?

Pre-loading risk assessment (PLACI – minimum ENS dataset)

Pre-arrival risk assessment (complete ENS)

Clearance

TIER 0

Place of intervention
Before loading of goods in 3° country

TIER 1

Place of control:
Customs office of first entry

TIER 2

Place of control:
Customs office of unloading

TIER 3

Place of control:
Customs office of destination

TIER 4

Place of control:
Customs office of clearance

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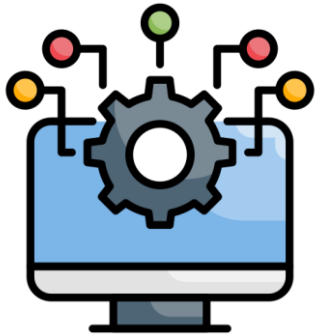
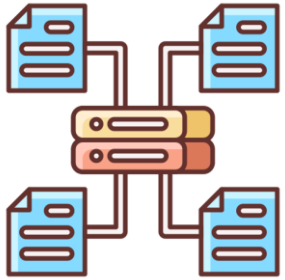
ICS2 – responsible ENS filing parties - air

- Air Carrier issuing transport contract for general cargo, postal and express consignments it transports
  - Any person issuing underlying airway bill of lading, if it does not want to share this information with the air carrier i.e. freight forwarder (or express courier)
  - Extraterritorial Office of Exchange (ETOE) issuing house level airway bill
  - EU postal operator for postal consignments – postal item and receptacle level (ITMATT / PREDES)
- Express carrier/integrator for express consignments it transports

Changes for air transport compared to ICS1



New IT system & interfaces



New ACI data requirements, format and structure

Contractual agreements between carriers and other parties (multiple filing, data sharing)

Change to operational processes (e.g. referrals)

European Commission

More detailed requirements

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EORI – how to obtain it?

- EU based operators obtain EORI in the EU MS where they are registered
- Non-EU operators can obtain EORI in the EU MS where they will file ENS first

- More information: **E**conomic **O**perators **R**egistration and **I**dentification number (**EORI**) (europa.eu)

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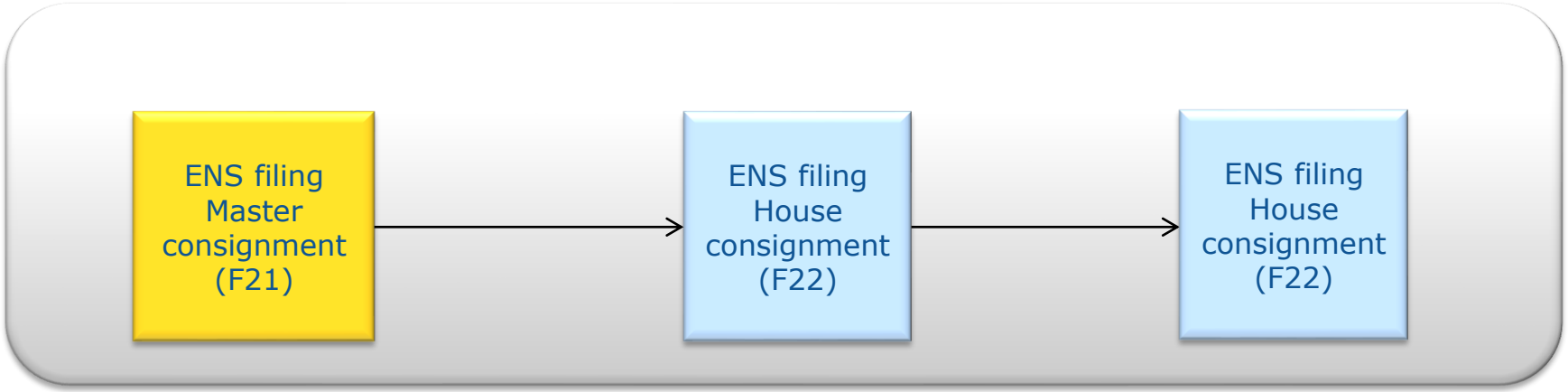
EORI requirements

- EORI becomes mandatory for several parties in the ENS:
  - Declarant
  - Representative
  - Carrier – both in the master level and house level ENS filings, even if carrier is not filing the ENS himself
  - Consignee in the EU – if EORI is issued to the consignee, it must be declared
  - IT Service provider

- Supply chain actors need to exchange their EORI numbers to be able to do the **multiple filing**: Carrier needs to indicate the FFW* that will file the house level ENS filing, FFW needs to indicate Carrier for the multiple filings to be linked into an ENS

* FFW term is used to indicate any other filing party e.g. FFW, ETOE, postal operator, express courier or express carrier

Multiple filing: Linking of ENS



- **Master transport document number**
- **Carrier EORI**
- **Supplementary declarant EORI**

=

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- **Master transport document number**
- **Carrier EORI**
- **Declarant EORI**

Supply chain actors need to exchange their EORI numbers and MAWB number

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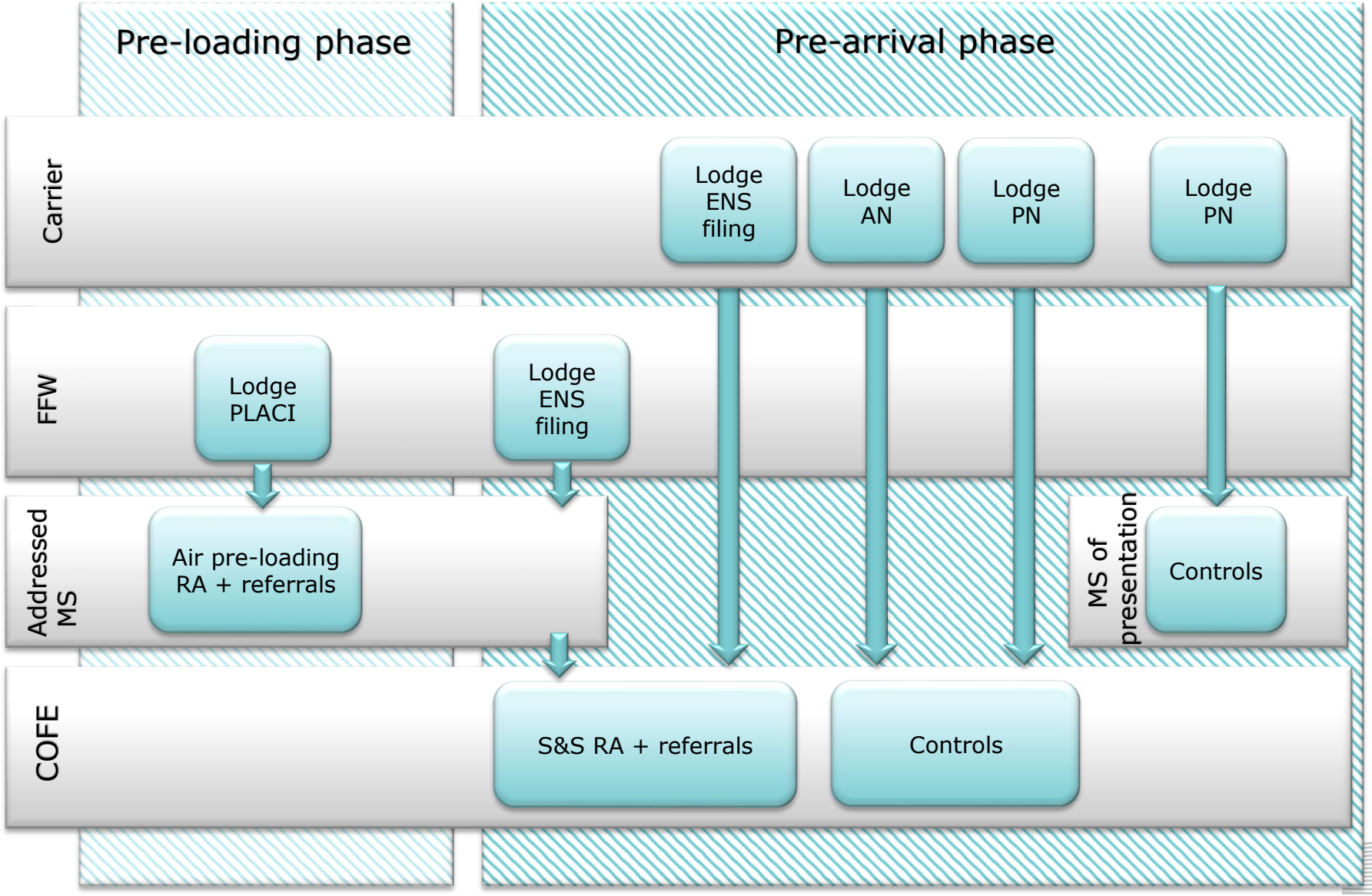
ENS filing requirements



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ENS filing requirements – general cargo

- ENS filing - either **partial or full ENS data set** per specific mode of transport or business model.
  - Full filings – F20, F27, F28, F29
  - Partial filings – F21, F22, F23, F24, F25, F26
- Each ENS filing is registered and gets its own MRN
- PLACI data set can be lodged separately or incorporated into an ENS
- An ENS is composed from one full or several partial ENS filings
- One ENS has to be lodged for one MAWB

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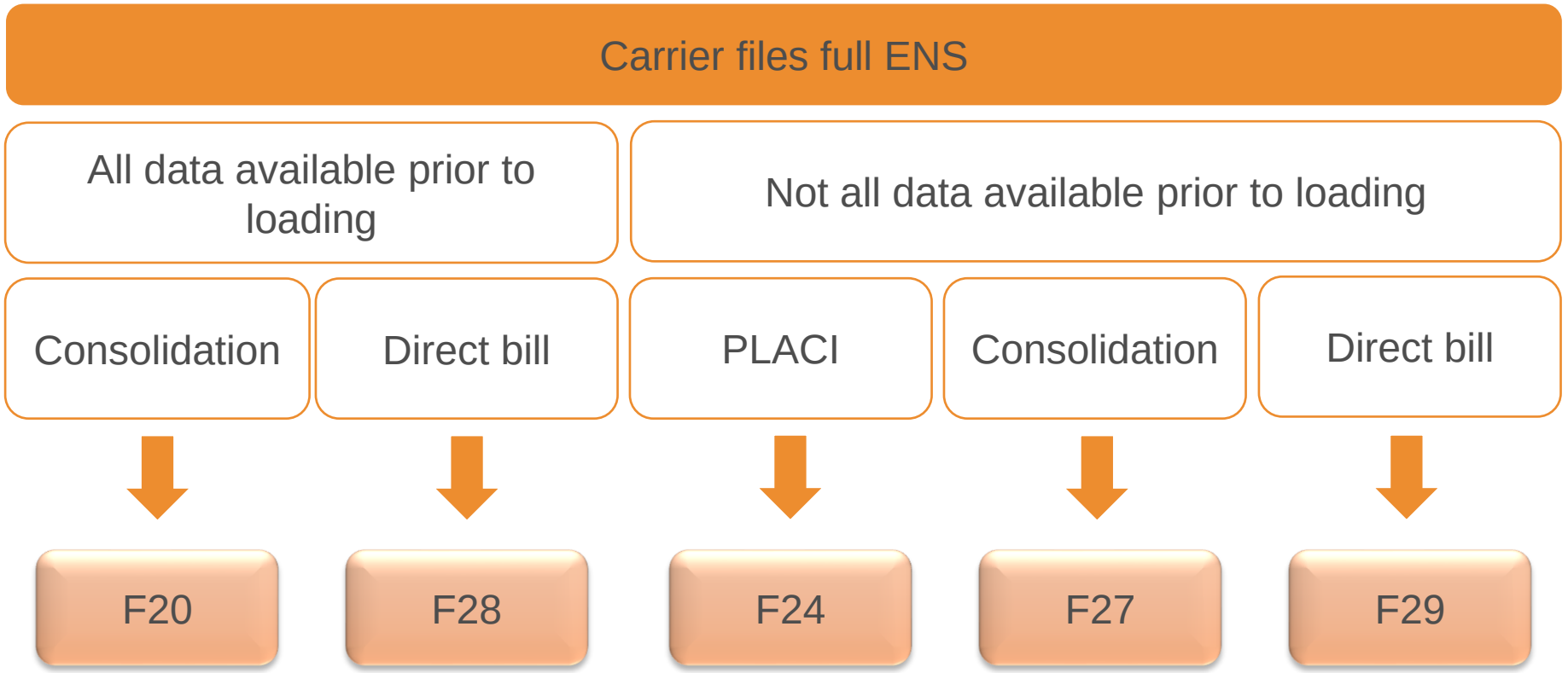
Which ENS filings to use - carrier



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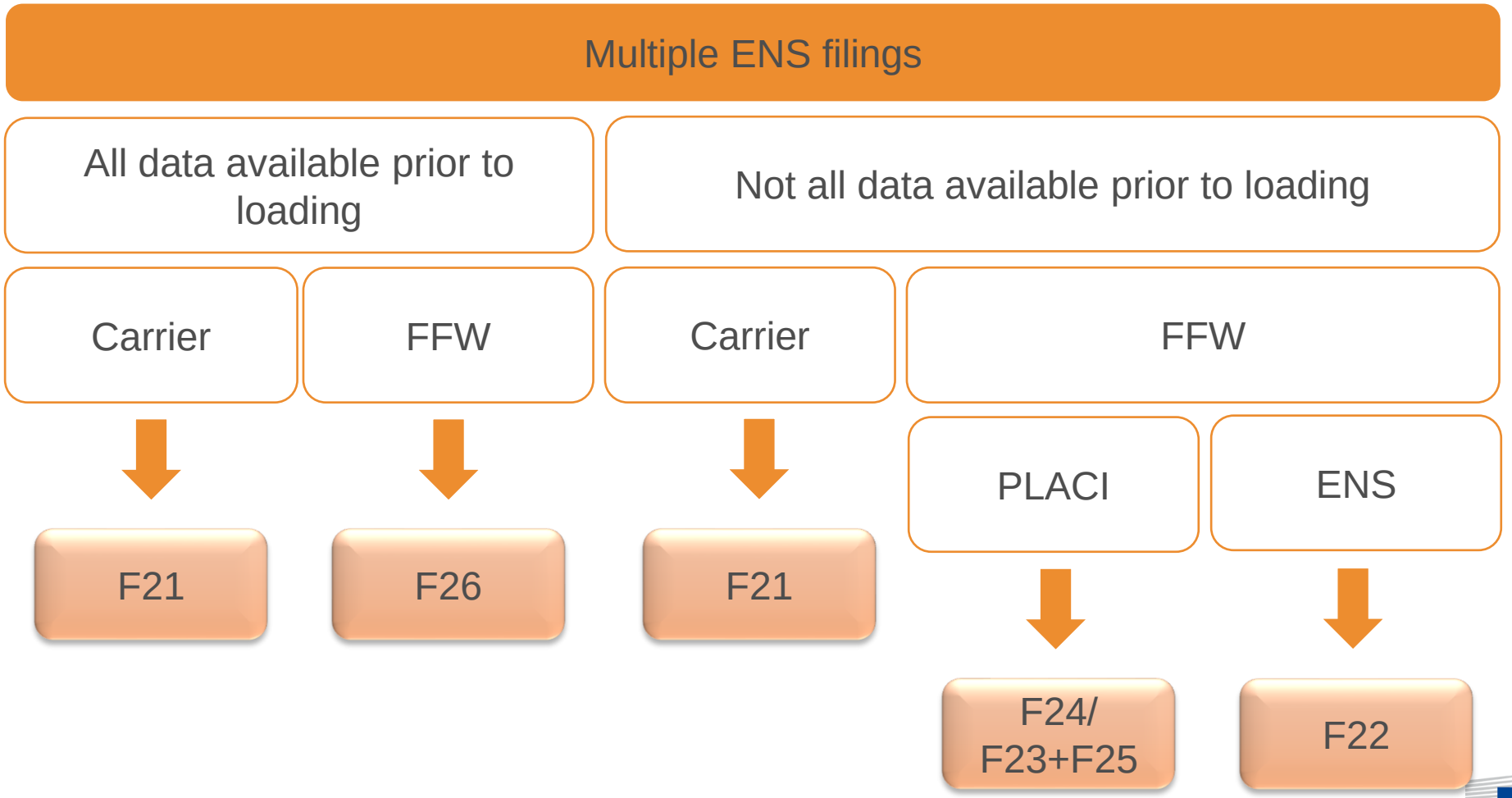
Which ENS filings to use



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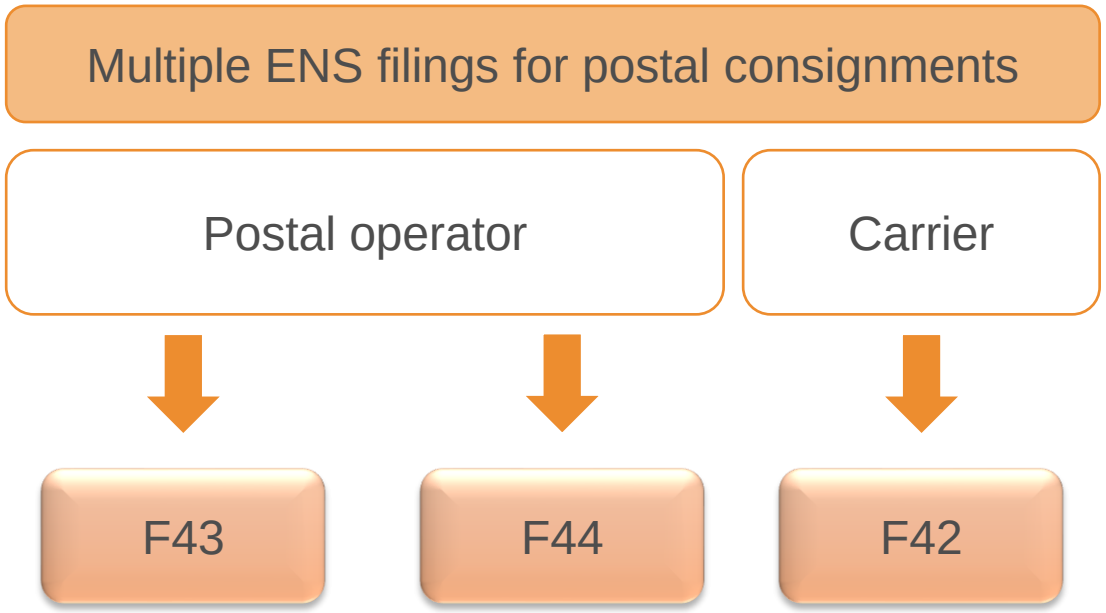
ENS filing requirements – postal model

- PLACI data/House level filing/Receptacles (F43+F44):
  - for postal consignments delivered into the EU the postal operator established in the EU is responsible to lodge
  - for postal consignments transhipped in the EU – either the carrier or the postal operator at origin will be responsible to lodge
- Master level ENS filing (F42):
  - Carrier responsibility
  - Contains transport related information, parties and list of receptacles
- ETOE consignments are moved as air cargo general, postal model rules do not apply

European Commission

Which ENS filings to use



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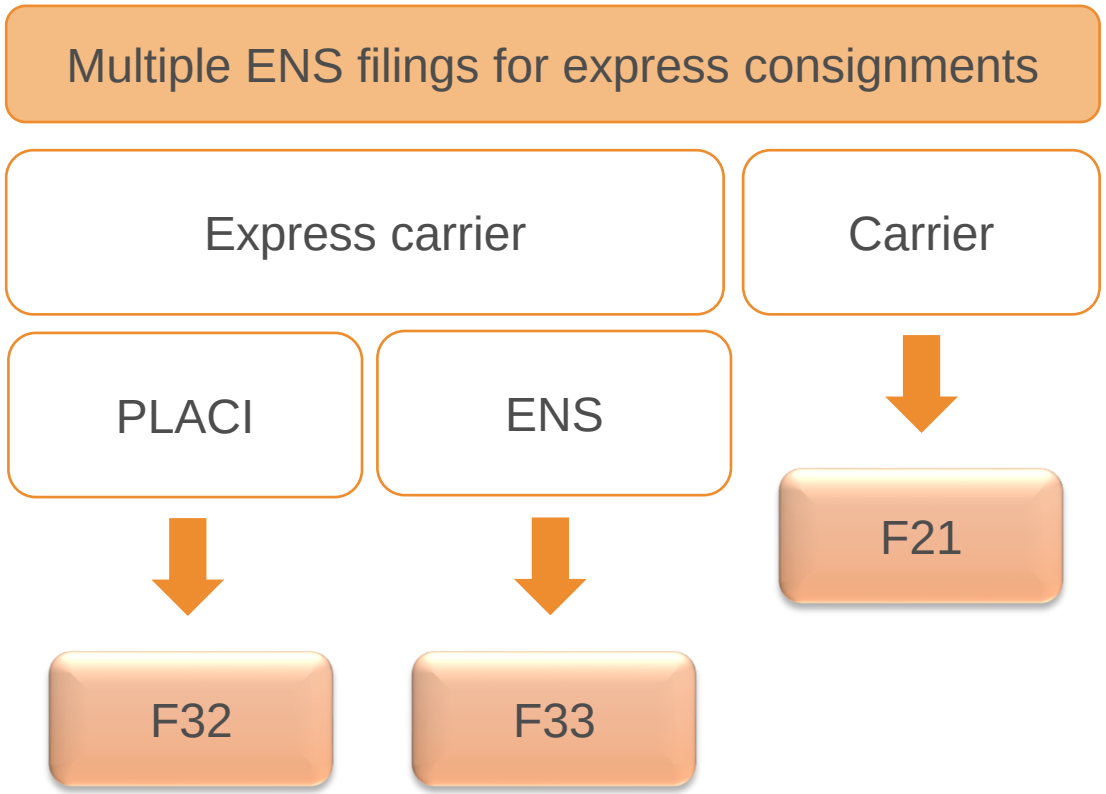
ENS filing requirements – express consignments on air cargo general

- PLACI for express consignments will always be filed by the express carrier
- ENS can be lodged as full or multiple ENS filings:
  - F33 by express carrier containing house level information + F21 by carrier containing master level information
  - F31 full ENS filing lodged by the carrier or express carrier, if agreed by the air carrier

Which ENS filings to use



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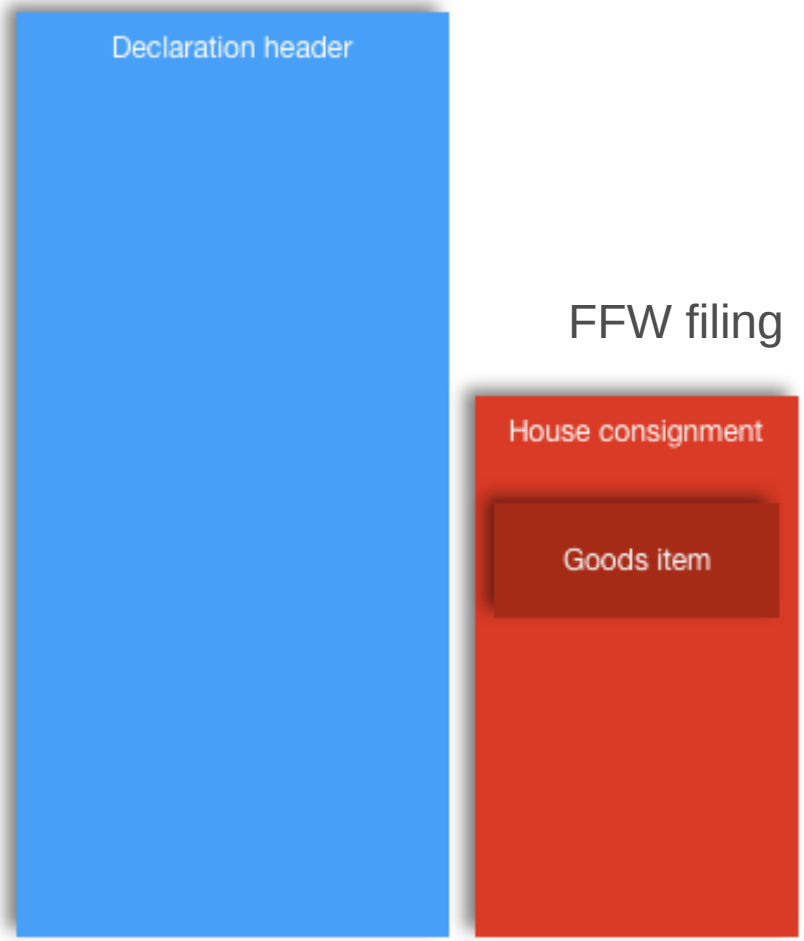
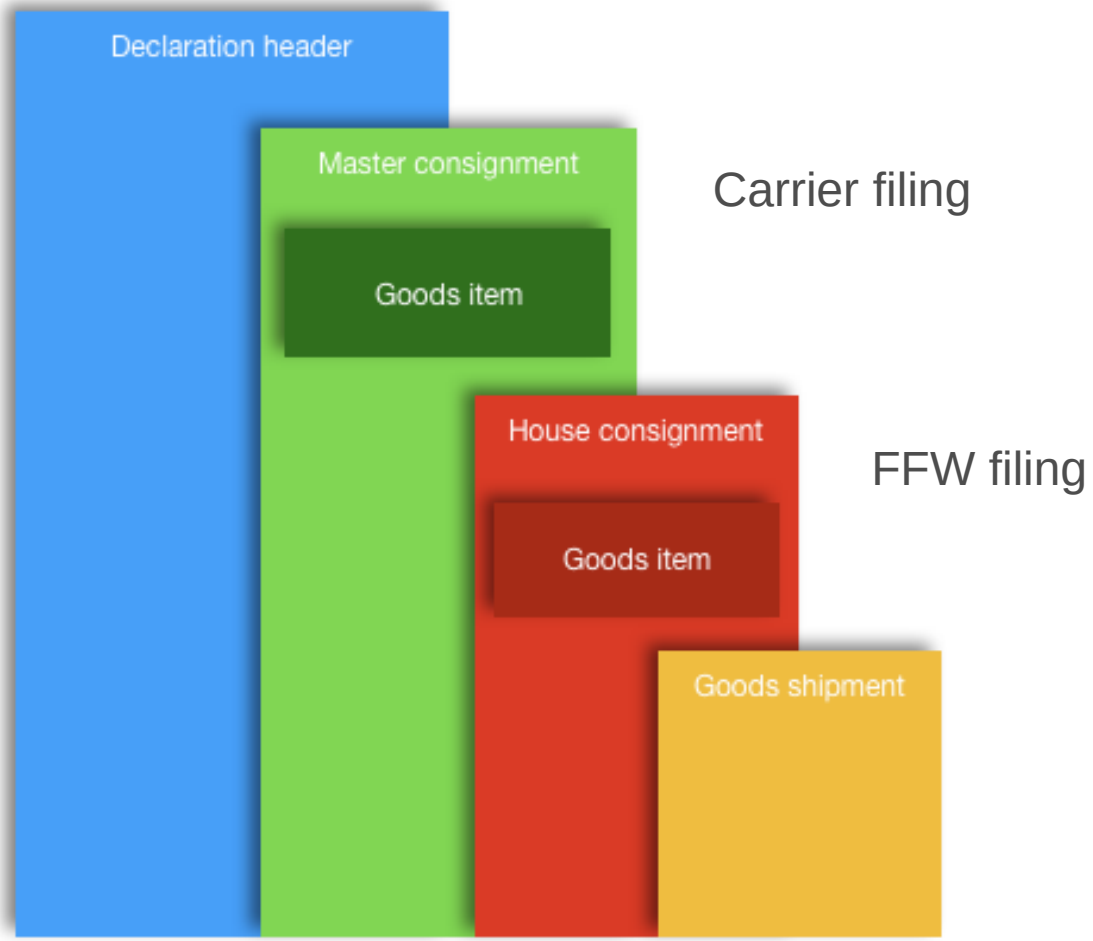
PLACI and ENS structure



PLACI



ENS

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ICS2 - new data requirements

ENS data:

- **Parties** (carrier, consignor, consignee (EORI for EU based), additional supply chain actors and their address, phone, e-mail)
- **Goods** (**HS code** (6 digit) for commercial (B2B and B2C), description, weight, packages, dangerous goods, containers, seals, postal charges)
- **Locations** (place of acceptance, loading, unloading, delivery, routing of consignment, routing of means of transport)
- **Transport** (type and identity of means of transport, departure and arrival date and time, transport charges)
- **Supporting documents**

PLACI data:

- Parties (consignor, consignee and their address, phone, e-mail)
- Goods (description, weight, packages)
- Transport documents (HAWB, postal S10)

Data has to come from:

- Master air waybill,
- House air waybill, (co-loading & lowest level)
- Commercial docs (orders, invoices, ...)
- Booking systems (transport plans)

What's changing from ICS1: example Parties

- Name
- Identification number
  - EORI for carrier, declarant, representative, supplementary declarant, consignee in EU - mandatory
- Type of person
  - For consignor, consignee, notify party – natural, legal person, group of people
- Address
  - Street name 1
  - Street name 2
  - Number
  - P.O. Box
  - City
  - Postcode
  - Sub-division
  - Country
- Communication
  - Type
  - Identifier

European Commission

What’s changing from ICS1: example Goods

- Goods item number
- Supplementary documents
- Additional information
- Additional supply chain actor
- Commodity
  - Goods description
  - CUS code
  - Commodity code (HS6)
  - Dangerous goods
- Weight
- Packaging
- Transport equipment

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What's changing from ICS1: example Master level transport & location data

- Border transport means
  - Mode of transport
  - Identification number
  - Type of identification
  - Conveyance number
  - Estimated date and time of departure
  - Actual date and time of departure
  - Estimated date and time of arrival
  - Countries of routing of means of transport
- Place of acceptance
- Place of delivery
- Place of loading
- Place of unloading

What’s changing from ICS1: example House level location data

- Place of acceptance
- Place of delivery
- Countries of routing of the consignment

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Final points of attention

European Commission

Impact on the (non-)EU air carriers – necessary actions to prepare (1)

- **If you elect to be full ENS filer**: Familiarize yourself with the new requirements in your role as ENS declarant (data requirements, ICS2 specifications, implementation guidance, training material, etc)
    - Make sure you receive high data quality from your clients and that is captured by your IT system in compliance with ICS2 requirements
- **If you will file MAWB level only** (cargo, express or postal) in addition to the above, ensure you receive from your clients necessary data for your filing, and share your data they need (contractual arrangements)

Impact on the (non-)EU air carriers – necessary actions to prepare (2)

- **Develop your IT system**, OR arrange it with your ITSP, OR opt for U2S filing (smaller companies)
  - Make sure all operational and info exchange processes are supported
- **Obtain EORI** in one of EU MS (in case you don‘t have it yet)
- Plan internal testing with your clients prior to ICS2 **C**onformance **T**ests – **implement CT** (if you do not use ITSP or U2S)
- **Establish operational protocols** to deal with; e.g. PLACI referrals, DNL situations, business continuity in case of system failure
- Get trained and **train your staff**
- Actively seek for fresh ICS2 material via **MS customs and via IATA (+ ICS2 webpage & public libraries of Circabc – e.g. FQAs, guidance, technical documents)**

Thank you

Welcome to visit ICS2 page on Europa website:

https://ec.europa.eu/taxation_customs/general-information-customs/customs-security/ics2_en

European Commission

2023 PLACI Compliance Requirements Session

Q&A session on EU ICS2 implementation

Christian Piaget, Head Cargo Border Management, IATA

Tahir Syed, Product Manager Cargo Solutions, IATA

2023 PLACI Compliance Requirements Session

EU ICS2 impacts on the industry - what are the

IATA tools available to facilitate industry compliance?

Tahir Syed, Product Manager Cargo Solutions, IATA

What are the EU-ICS2 implementation challenges?

Which IATA publications can help address those challenges and facilitate compliance with EU-ICS2?

Tahir Syed
Product Manager
Cargo Solutions
IATA

syedt@iata.org

Why PLACI is so disruptive?

Existing PLACI issues

1. **Extended Scope:** Airlines' entire network, comprising multiple 3rd parties (GSAs/GHAs) using dis-integrated IT systems, don't always have visibility on shipments' latest customs status at anytime.
2. **Multiple Systems:** Cargo Handlers serving multiple airlines have to use multiple systems (supplied by airlines) to validate OK to Load.
3. **Lack of Visibility:** Airlines lack visibility on the PLACI risk assessment outcome of FF filing (house waybills), Co-Loader filings and interline shipments.
4. **Cumbersome Processes:** Dual Filing, Referral cascading etc. add further complication to cargo operation.

EU-ICS2 bringing Additional Challenges

Must provide additional data for cargo shipments & advance data for Mail consignments therefore Cargo-XML standards are mandatory

- C-IMP doesn't support EU-ICS2 data requirements
- Mail Consignments are subject to pre-arrival filing requirements
- HS Codes mandatory (minimum 6 digit)
- EORI for multiple parties
- Postal Air Waybill# use is mandatory
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Must get Member State OK prior acceptance/loading. Referral must be resolved prior loading.

- Shipment Risk Assessment status can change
- Immediate Action Do Not Load
- Visibility on latest risk outcome (entire network)
- Interline partner must provide Customs OK
- Must get Member State OK prior loading
- New SOPs to resolve referrals

Components of EU-ICS2 Compliance

Cargo Operation SOPs (Hub & Outstations)	• Upgrade Warehouse acceptance, Manifestation & Loading SOPs based on risk assessment response from PLACI destination.
Business Processes	• Implement new business processes with shippers, freight forwarders, interline partners, ground handlers and Posts.
Cargo & Mail IT Systems	• Enhance Cargo Management/Transport Logistics System to support additional data & processes. Integrate Mail Systems.
Cargo Messaging Standards	• Upgrade Cargo Messaging Standards to transmit the required data elements.
EU-ICS2 Filing Solution	• Implement EU-ICS2 filing solution in place i.e. transmit data, receive risk assessment responses, referrals etc.

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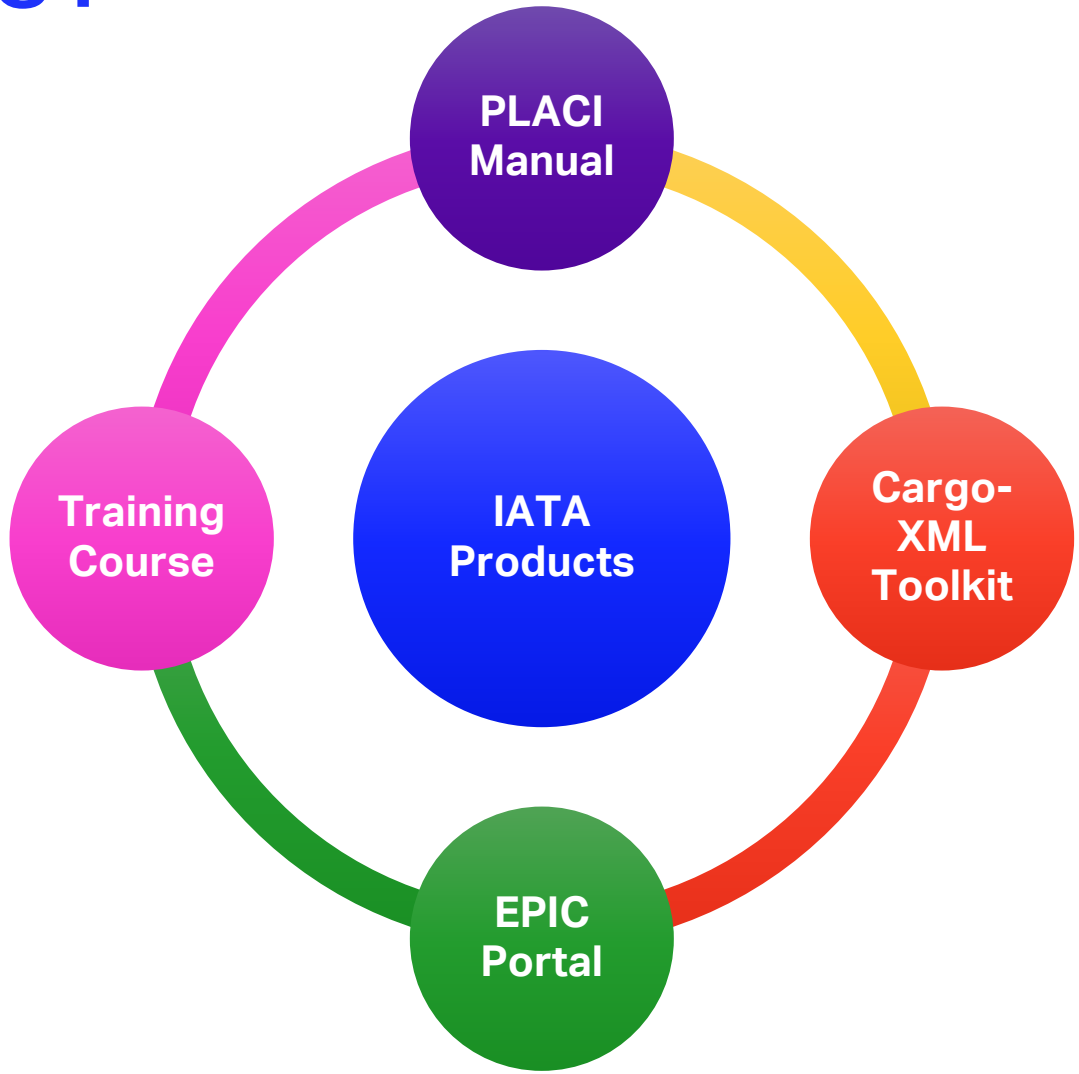
How can IATA assist in EU-ICS2 Compliance?



IATA PLACI Manual

- Purpose: To harmonize PLACI processes

8. Business Processes

8.1 Freight Forwarder Filing Pre-Loading Data for Consolidation Shipment

8.2 Freight Forwarder Filing Pre-Loading Data for Non-Consolidation Shipments

8.3 Associate Master with Already Filed House Waybill

8.4 Airline Filing Pre-Loading Data for Consolidation Shipments

8.5 Airline Filing Preloading Data for Non-Consolidation Shipments

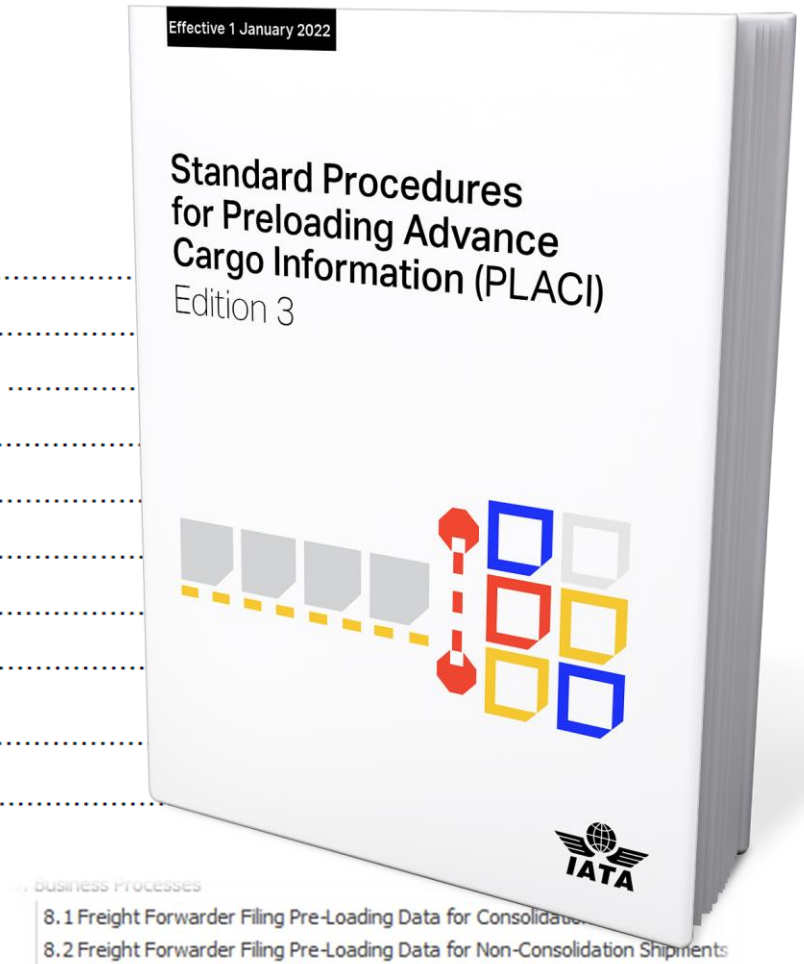
8.6 Airline Filing Prearrival Data (incl. Preloading Data) at Preloading

8.7 Customs Status Notification to Airline, Freight Forwarder and Notify Party

9. PLACI Case Studies Qatar Airways and US-ACAS Program

10. Guidance for EU-ICS2 Mail Electronic Advance Data Filing

  - Guidance on Self filing Freight Forwarders
- PLACI Case Study
- Website: https://www.iata.org/placi



8.1 Freight Forwarder Filing Pre-Loading Data for Consolidation Shipment
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8.3 Associate Master with Already Filed House Waybill
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8.5 Airline Filing Preloading Data for Non-Consolidation Shipments
8.6 Airline Filing Prearrival Data (incl. Preloading Data) at Preloading
8.7 Customs Status Notification to Airline, Freight Forwarder and Notify Party

IATA Cargo-XML Manual and Toolkit

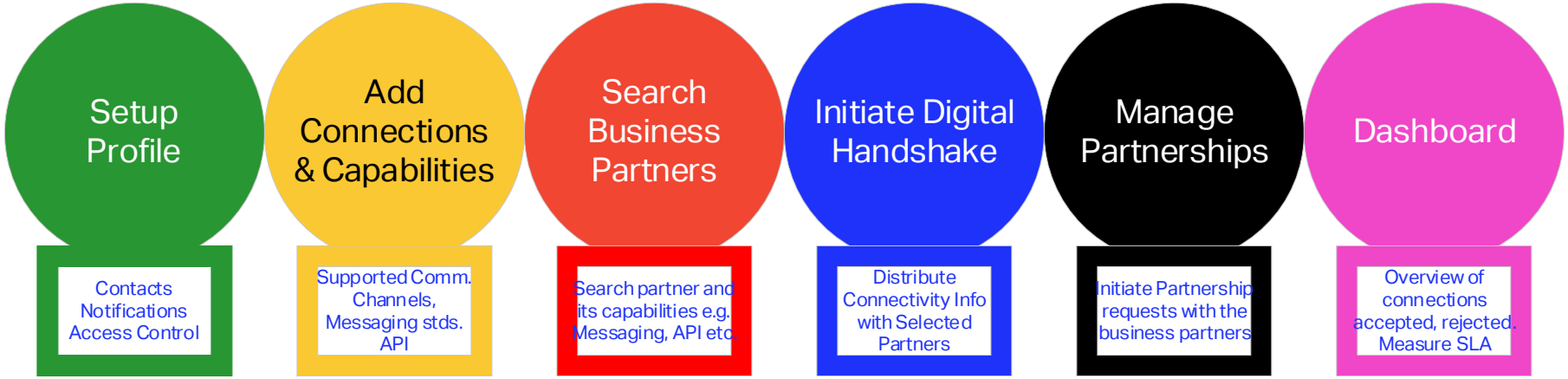
- Purpose: To disseminate Cargo-XML standards
- Contents:
  - Cargo-XML Messages
    - Air Waybill, House, Flight Manifest and others
    - Specification and Schemas
  - Implementation Guidelines
  - Mapping with the EU-ICS2 specification
  - Sample Messages
  - Code List
  - OCI Composition Rule Table
  - Mail & Cargo Messaging Synchronization
- Website: https://www.iata.org/en/publications/store/cargo-xml-toolkit/

EPIC Enhanced Partner Identification & Connectivity

Web Portal & API https://iata.org/epic

" A Global repository where you can find and engage your cargo partners for establishing digital connectivity"

Features:



Benefits:

- **Cost Reduction**: Release 40% time of a dedicated resource.
- **Free up Resources:** Eliminate part time resources for backend work.
- **Time Gain:** reduce connection time from weeks to a few minutes.
- **Digital Cargo Acceleration**: Improved visibility & ease of connectivity contributes to digital cargo acceleration.
- **Data Quality Improvements**: Quality of data will be greatly increased as the current, fragmented infrastructure leads to numerous loss of data.

IATA EPIC Adoption

Airlines (37)

Freight Forwarders (1300+)

Customs (16)

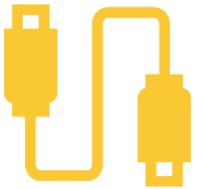
Ground Handlers (3)

CCS's/ IT (16)

Intl Org. (5)

Posts(0)

82 Connections



3724 Connectivity Methods

337 Messaging Capabilities

Airlines

37 Airlines have joined EPIC

Customs & Intl. Org.

16 Customs & 5 Intl. Org. have joined EPIC

IATA

CCS/IT Companies

15 CCS/IT Companies have joined

Global Freight Forwarders

KUEHNE+NAGEL

DB SCHENKER

DACHSER
Intelligent Logistics

hellmann
Worldwide Logistics

4 Global Freight Forwarders have joined EPIC with over 1000 offices

IATA

Training

Training courses available:

1. Air Cargo Business Processes
2. Electronic Messaging and Pre-Load Data Filing
3. Cargo Security Awareness

Register Here

eLearning

In Class Training

Onsite Training

For details, visit: https://www.iata.org/training/

IATA

Questions & Answers

Lunch Break 12:30 – 13:30

Kindly sponsored by:

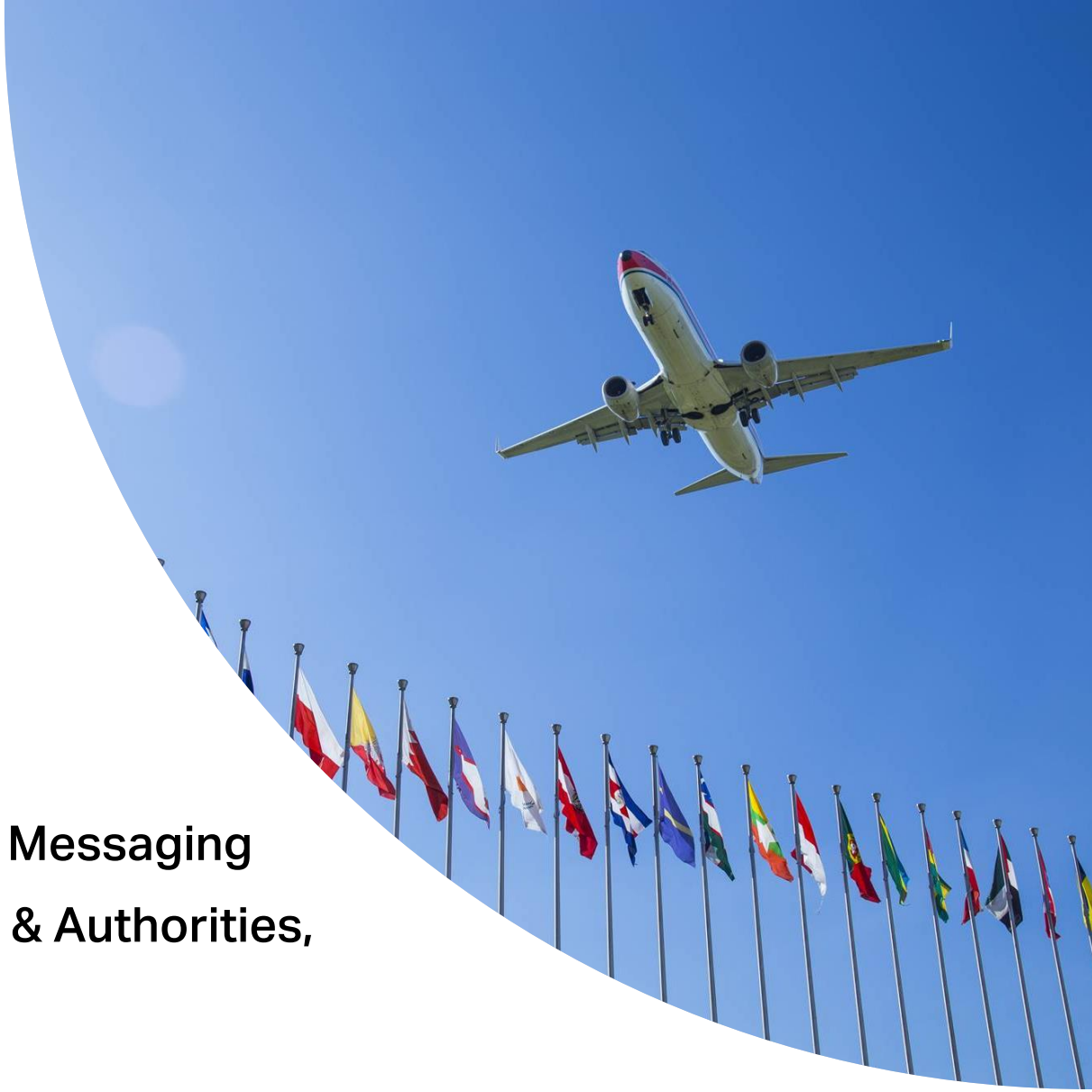
EU Import Control System 2 (ICS2)

Complying with EU Regulation with Traxon Global Customs (TGC)

- Seamless amended for new regulations
- Ready for the ICS2 deadline in March 2023
- Traxon Global Security (TGS) will also support the new preload filing requirement

Traxon Global Customs

2023 PLACI Compliance Requirements Session



Airlines' perspective

Rani Joseph George, Chair of the IATA Cargo Messaging Working Group and Senior Manager Customs & Authorities, Lufthansa

Gordon Wright, VP Customs & Regulatory Affairs EU, DHL Express Europe

IATA

Import Control System 2 (ICS2)

Carrier challenges

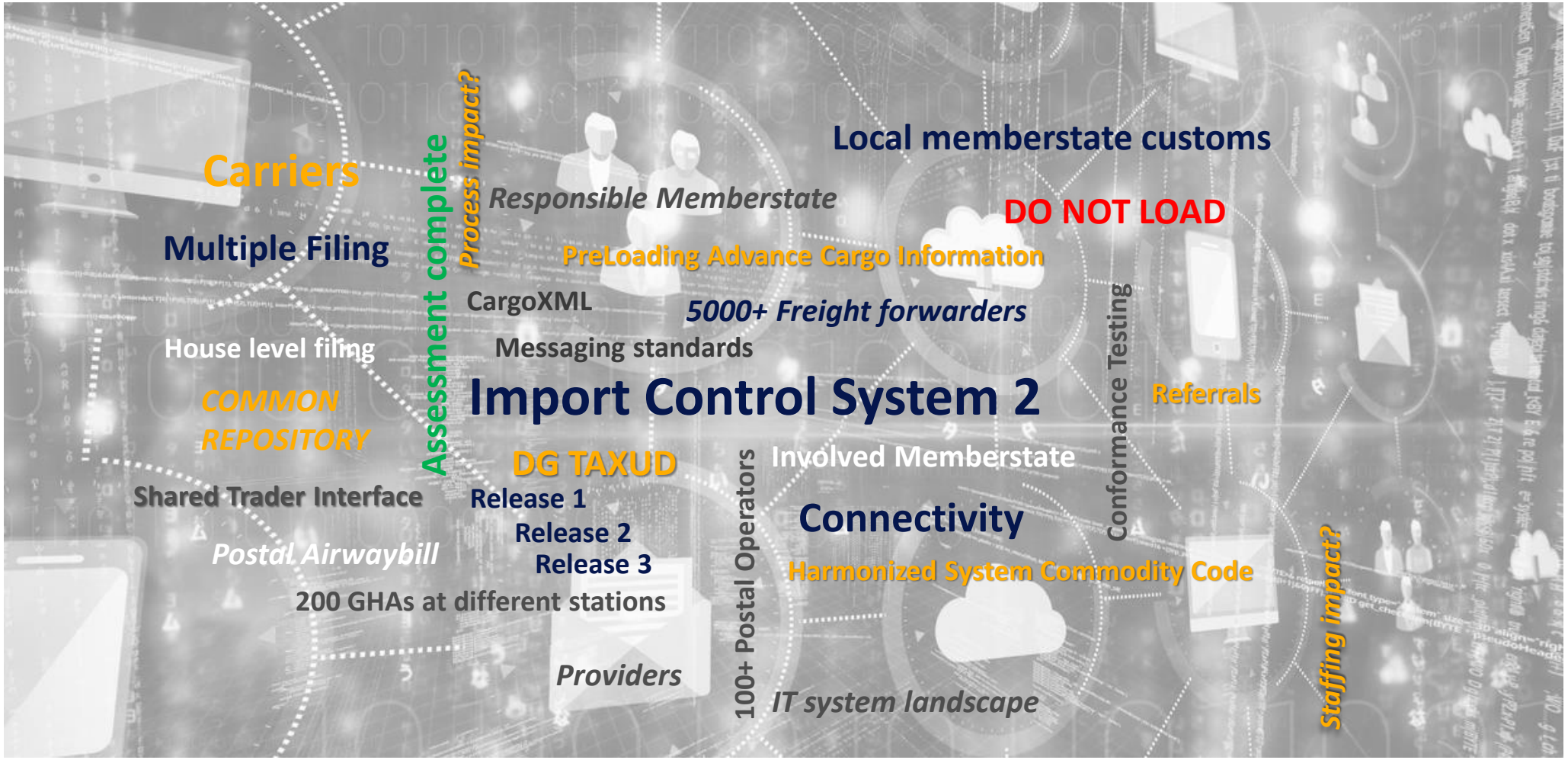
IATA 2023 PLACI requirement session

Geneva, 01 NOV 2022

Rani Joseph George

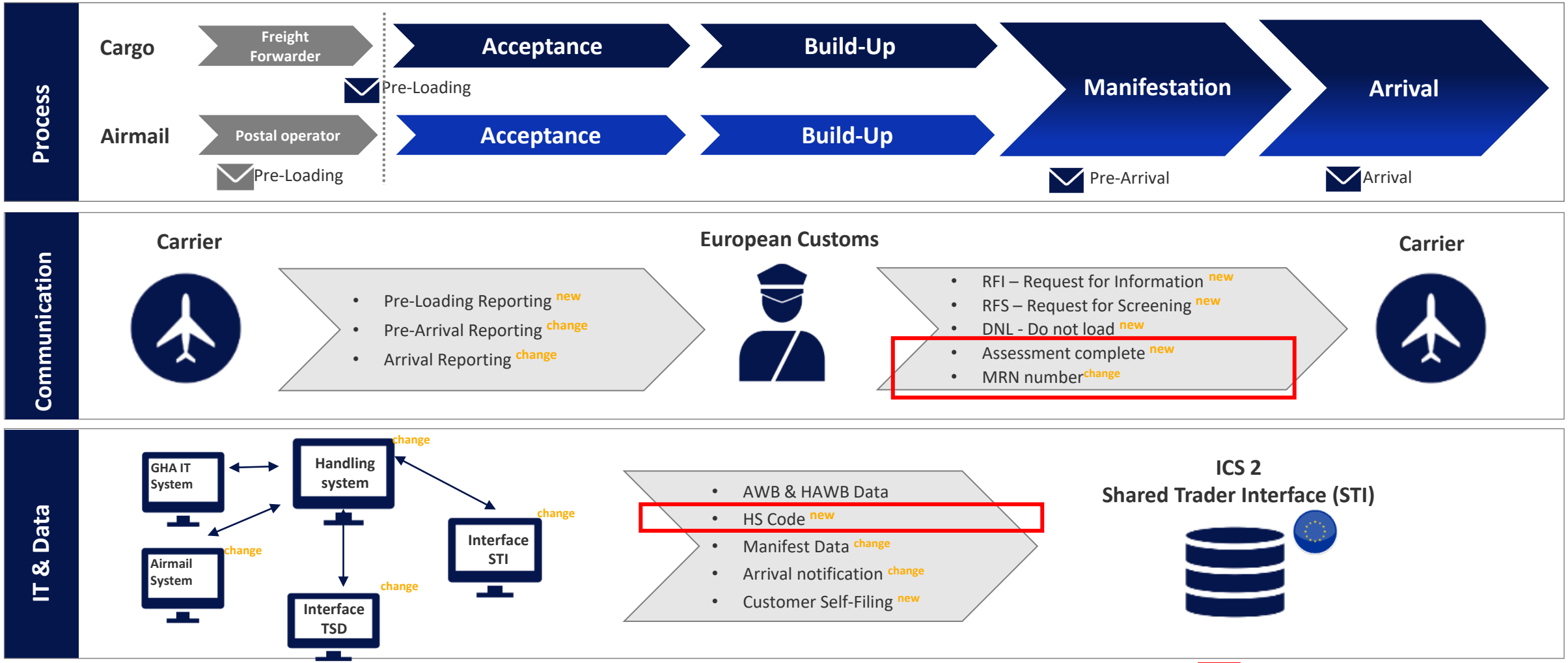
Lufthansa Cargo

IC…what?


Carriers
Multiple Filing
House level filing
COMMON REPOSITORY
Shared Trader Interface
Postal Airwaybill
Assessment complete
Process impact?
Responsible Memberstate
CargoXML
Messaging standards
Import Control System 2
DG TAXUD
Release 1
Release 2
Release 3
200 GHAs at different stations
Providers
100+ Postal Operators
Local memberstate customs
DO NOT LOAD
PreLoading Advance Cargo Information
5000+ Freight forwarders
Involved Memberstate
Connectivity
Harmonized System Commodity Code
IT system landscape
Conformance Testing
Referrals
Staffing impact?

New regulations impact Lufthansa Cargo on three levels

Overview of changes in processes, communication and IT systems



Focus: **ensure mandatory data** are available, as of 01 March 2023

Main changes

What‘s new in ICS2?

Timeline of customs reporting

- Reporting will change from pre-arrival to pre-loading: all shipments to/via EU must have clearance before they can be loaded on any aircraft

Integrate Airmail into pre-arrival reporting

- PAWB
- Mail and Cargo typically two separate systems

Data

- From MAR23 the HS code (Harmonized system customs tarif code) will be mandatory on HAWB level. This must be provided by customer

Referrals from customs

- Customs can contact carrier in case of questions during risk analysis
    - RFI: Request for information (additional data, validate data)
    - RFS: Request for screening (perform HRCM screening and provide results)
    - DNL: Do not Load (shipment may not be transported, CERM to be activated**)**

Considerations for carriers - process

What the changes mean for us

Establish process for PLACI reporting/results

- When to send data to customs?
- Change mgmt.: shipments need assessment complete, not just MRN number
- How to ensure unclear shipments are held? How are shipments integrated back into process once referral cleared?

Referral Handling

- Establish 24/7 contact
- Handling to be done centrally or decentrally?
- RFS – what if no HRCM screening possible?
- Establish DNL line of communication – the “all hell breaks lose” scenario

Airmail

- Where/when is PAWB to be created?
- Process of referral information and handling with Postal Operators

New data elements

- Customer communication
- Enforce in handling system?

Considerations for carriers - IT

What the changes mean for us

Reporting to STI
- Select provider
- Upgrade messaging standard?
- Decide on integration into handling system
- How to incorporate GHA IT network

Airmail
- Existing system upgrade or new system
- Integration into cargo reporting?
- Integration with handling system?
- Communication with Postal operators

Facilitate multiple filing
- How to differentiate?
- How to enforce a/c for such shipments?
- Facilitate happy and not so happy path
- Relay information to customer?
- Which filing combinations?

GHA IT stations
- Messaging capabilities enough?
- Access to STI reporting solution or messaging integration?

Next Steps

Project underway; development done our side; CT and end-to end testing outstanding

Thank you for your attention

Rani Joseph George
Senior Manager Customs & Authorities

ics2@dlh.de

Lufthansa Cargo
Networking the world.

ICS2 PROJECT: IATA WORKSHOP

1ST – 2ND NOVEMBER 2022

Presenter: Gordon Wright

Import Control System (ICS) has evolved since 2016 to include more pre-loading and pre-arrival filing information

What is ICS?

ICS (Import Control System) is the electronic security declaration management system for goods **destined to or transiting** the EU Member States and territories, Switzerland, Norway, Northern Ireland (ICS2 countries)

ICS before 2016

- The ICS EU regulation and system are in place **since 2009**
- ICS is based on and fully compliant with the **WCO SAFE Framework of standards**
- It is intended to **mitigate immediate threats to aviation security**, such as explosives hidden in consignments (so called “bomb in the box”)
- Focused on **pre-arrival** data filing

ICS after 2016

- ICS was **enhanced (ICS2)** to include **Pre-loading Advanced Cargo Information (PLACI 7 +1 data set)** and **new data elements for pre-arrival filing**
- New system was developed by EU authorities to facilitate standardized message exchange, called **Shared Trader Interface**
- ICS2 scope includes all goods except **items of correspondence** (printed matter, letters)
- ICS2 pre-loading (PLACI) process for express shipments has been live since **01 March 2021**

ICS2 Release 1 | Key achievements

Jan 2020

ogram Launch *Workstreams:*

- Security
- Customs Operations
- IT
- Regulatory Affairs

Feb 2021

Gradual Deployment

- Agreement with Authorities
- Deployment window from Mar 15th to Oct 1st 2021

Mar 2021

Go Live

- Target date: Mar 15th achieved as the only Express carrier
- First deployed country: ZA

Sep 2021

Deployment finalized

- Last group of countries (incl. UK) deployed on Sep 6th

Oct 2021

Release 2 Launch

- Project structure
- Regulatory requirements analysis
- Business process impact analysis

Key Takeaways

- ICS2 Release 1 has been delivered globally **on time** and without major hiccups
- **Project launched in January 2020,** all system and process solutions were in place by 15 March 2021
- **All countries were deployed** according to the deployment window **granted by the German Customs.**
- This project has been instrumental in keeping **DHL Express compliant** and to ensure security and safety of all people living in the European Union, Switzerland & Norway.

ICS2 Release 1 | Volumes of filing and referrals

Volume of ICS2 filings sent to EU Customs (per day):

Several hundred thousands

Customs Authorities process the filings through ICS2

Volume of ICS2 referrals received (per day):

Very low and manageable

Key Information

Requests for Information (RFI)

- Processed **the majority of RFI** without contacting origin countries.
- **No intercepts raised** for **RFI** from Customs

Request for Screening (RFS)

- **RFS** are **always assigned to origin**
- Intercepts for RFS are **switched on from the beginning**

Do Not Load (DNL)

- No DNL notification **has been sent** so far

ICS2 Release 2 | Overview

IN FOCUS

EU regulatory requirement	**ICS2.1** – *live since Mar. '21*	**ICS2.2** – *due Mar. '23 (with transitional period until Oct. '23)*	
	Pre-loading	**Pre-arrival**	**Arrival**
Authorities' Rationale	*Prevent **immediate security threats;** e.g., bomb in the box*	*Ensure **controls at COFE[1]**; e.g., against counterfeit goods, illicit trade, drugs, etc.*	*Ensure controls that **do not require early intervention;** e.g., conformance with product safety rules*
Affected products	**Core express**	**Core express, postal**	
	Air cargo general		

- Pre-arrival security filing messages must be submitted to ICS2 countries with higher **granularity level**
- Shipment security filing cannot be submitted without a **detailed goods description** per commodity (on-line item level), and the respective **Harmonized System (HS) code**
- New **pre-arrival message** containing the required data is needed at least **before flight departure** to Europe (short haul) or at least **4hrs. before flight landing** in Europe (long haul)
- DHL will apply for **gradual deployment window** until Oct. '23

1) COFE = Customs Office of First Entry

ICS2 Release 2 | Responsibilities and data elements

DHL's responsibility

- DHL **submits the security filing to the ICS2 Customs Authorities** to facilitate the transport of goods for the shipper destined to (or transiting via) European Union, Norway, & Switzerland

Shipper's responsibility

- Shipper is responsible to **provide complete and accurate data to DHL** since the security filing is based on the data that the shipper provides when preparing a shipment

Mandatory Pre-Loading Data Elements

- **Shipper & Receiver Name and Address**, and if available the Identification Numbers
- **Type of Person**: for both Shipper & Receiver, e.g. B2B (Business-to-Business), B2C (Business-to-Consumer), C2C (Consumer-to-Consumer), etc.
- **Line Item Goods Description**: itemized description of each commodity in the shipment using detailed, precise & plain language
- **Line Item Commodity Code**: the first 6 digits of the Harmonized System (HS) code, on line item for each of the different commodities
- **Weight/Unit & Quantity**: the weight, unit (e.g. KG) and quantity (number of packages) on line item level

ICS2 Release 2 | Key takeaways

Key Takeaways

- **Data Inconsistency:**
  Early security submissions will have certain data elements inconsistent compared with final import data
- **Delayed Referrals:**
  Authority risk assessment timelines impact general compliance: referrals may be issued too late for the pre-loading and pre-arrival principle to be respected
- **Longer Response Times:**
  Operators may take hours or even days to respond (initial filing versus shipment/paperwork avilability)
- **Dedicated Communication Channels:**
  Direct communication should be established between the Customs Authority and the Economic Operator
- **Pre-aligned Procedures:**
  Do Not Load procedure and communication should be aligned between the Customs and Aviation Security authorities, and Economic Operators well in advance.

THANK YOU

Disclaimer:

While we have made every attempt to ensure that the information contained herein has been obtained, produced and processed from sources believed to be reliable, no warranty, express or implied, is made regarding the accuracy, adequacy, completeness, legality, reliability or usefulness of such information.

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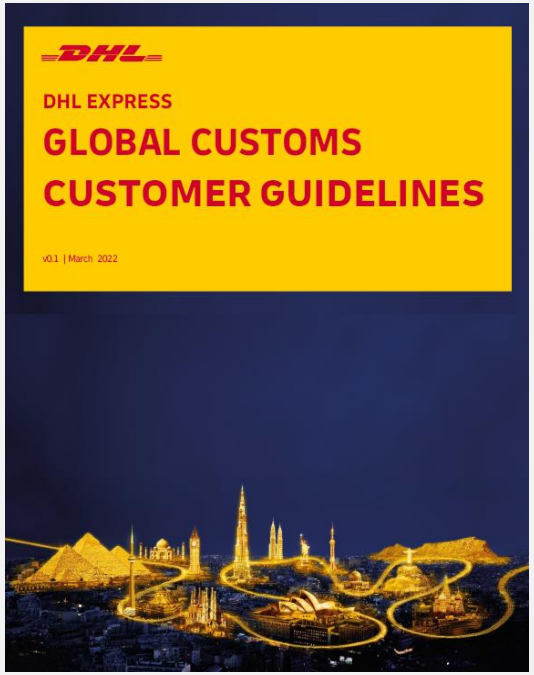
ICS2 Release 2 | Customer Guidelines

For additional information about the key data elements of a complete and accurate Commercial / Proforma Invoice, please refer to the **DHL Express Global Customs Customer Guidelines**:



PDF
Adobe Acrobat Document

ABOUT THE GLOBAL CUSTOMS CUSTOMER GUIDELINES

"Regulatory Authorities across the globe are moving towards a fully data-driven environment to enable efficient and risk-based clearance processes.

Complete & accurate Commercial/Proforma Invoice line item data is the key enabler for fast & compliant Clearance processes, avoiding delays, fines & penalties.

We encourage all our Customers to embrace the opportunity of connecting systems and providing accurate data electronically to DHL.

It is our joint priority to make it happen and we count on your support."

John Pearson, CEO DHL Express

The information in this document will help you further understand the main Commercial / Proforma Invoice data elements, and other information to support the smooth Customs Clearance process of your goods.

By following these guidelines, you may avoid potential issues due to wrong/missing data, e.g.:

- **Customs clearance delays and shipments held in bond storage**
- **Unnecessary customer service contact to request missing information**
- **Shipments stopped, returned, potentially confiscated, or even penalties by Authorities**

2023 PLACI Compliance Requirements Session

Ground handlers' perspective

Lawrence Cockburn, Business Systems, DNATA

dnata

PLACI

GHA Role & View

Current Pre-Arrival Model

- GHAs' often provide current pre-arrival reporting to customs authority at flight destination – notable are:-
  - AMS, [now ACE], to US CBP and also the CBSA ACI
  - Current ACAS [PLACI] filing
  - Current ICS1 ENS to all EU customs
- Viewed as either a core GHA [contractual] requirement or equally as a additional value-add service line depending on the carrier profile and needs.
  - ✕Hub carrier with many services ex hub to particular region such as Europe or US and Canada
  - ✓Other carriers' that may not have as large a requirement in terms of network and/or operate more point to point or not have the capability either themselves or with a service provider

Current Pre-Arrival Model Operational/Message Flow

- Wheels-up+60mins carrier or origin-GHA triggers FFM; FWB; FHL message-set:-
  - Industry standard FFM; FWB; FHL – triggered post-physical flight departure
  - Messages/data verified and submitted to destination customs post-physical flight departure
    - Origin-GHA may submit direct to destination-customs
    - Destination-GHA may submit following above verification
  - GHA submits pre-arrival and obtains EU I-MRN or US In-Bond post-physical flight departure
    - If origin-GHA then I-MRN shared with destination-GHA as required for goods presentation
  - Regulatory requirement usually submission no later than 4hrs prior to arrival, or at departure is flight time less
- Currently no requirement to check or verify pre-loading/-departure:-
  - Flight en-route and no submission necessary other than as stated above
  - Risk if data is incomplete or inaccurate – unable to submit fully and flight has now departed
  - That said carriers and GHAs generally apply data-completeness/compliance checks as part of standard R4C checks to avoid such issues…

…which is really good for our PLACI requirements – and sets us in good stead!

To-Be PLACI Model – GHA Perspective

- Immediate impacts - Pre-Arrival –v- PLACI
  - Previous Pre-Arrival model can no longer be supported – although PLACI retains a pre-arrival element
  - GHA needs to know consignment "good" to send to destination cannot release to load-plan for physical ULD/Bulk build-up in export warehouse
  - Highly likely industry standard approach will be to include PLACI reporting requirements as part of the industry R4C [RCS] checks
    - Includes RCS R4C-for-PLACI where the [first] sector is not necessarily arriving into the customs territory and avoid having to apply R4C-for-PLACI checks in transit/at hub stations

- For the GHA we need to have that positive confirmation –IATA Code CO or US SF or EU-AE AC- and remember we may also prior to receiving have to deal with any referrals…
- …all of this required to allow us to physical build-up and load – and not there today!

- However our GHA processes will also need to include further checkpoints within our GHA lifecycle such as ULD Close; manifestation; FOW event and ramp loading!

What will PLACI look like and mean for the GHA…

- Perhaps any future GHA requirement more likely to be PLACI filing for a handled carrier's export product, as opposed today where it's generally their import product…?
  - The PLACI model makes it highly unlikely the destination-GHA could undertake the entire process in full, handle any referrals, obtain "IATA Code CO" etc
  - This will likely be at flight and/or consignment origin, more often the former
- Take flights operating AE>EU and return:-
  - Today destination-GHA submits pre-arrival ENS1 to EU-customs – in future likely carrier will own, either in-house or using a service provider
  - What can destination-GHA do to meet PLACI requirement – very little in reality given the model?
  - However we have several emerging global PLACI requirements and using the e.g. lanes I highlight then what I once did pre-arrival for the carrier's import product I could provide under the PLACI model for the carrier's export product – in this case on EU>AE lanes…

Potential GHA PLACI approaches…

- GHA can continue to undertake PLACI reporting on behalf of carrier – often a good fit, as GHA holds the local/national customs interface
- Challenges for destination-GHA to provide the full solution but we can provide centralised solutions quite often
- Where carrier either opts to centralise and/or undertake their own PLACI reporting then opportunity to digitally integrate with the GHA for the export product
  - Adoption of the XCSN or CSN [IATA CXML highly recommended in order to fully support requirement]
  - GHA-CTO system would auto-process as part of the RCS-R4C check, and at those other checkpoints, and thus eradicate the need for manual checking potentially delaying release to load-plan for build-up and risking FAP attainment

Our readiness, as dnata the GHA…

- PLACI understanding and awareness – across our global cargo operations
- GHA “fit” and role
- Tracking PLACI industry readiness; participation in industry events; using industry resources
  - IATA PLACI Compliance Requirements Session
  - Various vendor/provider PLACI sessions
  - Latest version of the IATA Standard Procedures for PLACI Manual
- Full engagement and collaboration underway with all our handled carriers across all global regions inc
  - Europe inc UK
  - UAE – DXB; DWC and AUH
  - US and Canada
- Engagement whether we provide an existing pre-arrival solution or not, i.e. EU ICS1
  - Evaluating each carriers’ need
    - Carrier submits – share digitally with GHA, GHA may still have a role
    - GHA submits – centralised basis for a network-wide solution or per route-station
- Revalidation of all our existing customs interfaces and scope of requirement to technically support for e.g. the shift in EU from ICS1 pre-arrival model to ICS2 PLACI

Thank you & any questions?

2023 PLACI Compliance Requirements Session

Freight forwarders' perspective

Andreas Whilelm, Global Security Manager, Kuehne + Nagel

IATA 2023 PLACI COMPLIANCE REQUIREMENTS SESSION

1 NOVEMBER 2022

ANDREAS WILHELM
CHAIR OF CLECAT SUPPLY CHAIN SECURITY INSTITUTE

CLECAT
European Association for Forwarding, Transport, Logistics and Customs Services

ABOUT CLECAT

Freight forwarding, transport, logistics and customs related services in Europe:

- Brussels based association, representing the interests of 19.000 companies in Freight Forwarding, Logistics and Customs Services.
- Multinational, medium and small freight forwarders and Customs agents are all within its membership through national associations of freight forwarders.
- Using all modes of transport: road, rail, sea & air freight and multimodal transport

BOOSTING READINESS OF THE SECTOR

- CLECAT representation in expert meetings organised by DG TAXUD on the development and implementation of ICS2 are discussed
- Boosting awareness and readiness of freight forwarders
- Cooperation with private sector & exchanges with DG TAXUD

PREPARING FOR ICS 2: WHERE ARE THE HURDLES?

Proper preparedness include:

- Analysis of documentation and resolution of open issues and questions
- Assessment of changes to be implemented and adjustments of processes and systems
- Investments in IT, human resources and training

Challenges encountered:

- Technical and operational issues relating to:
  - Limitations in electronic exchange of data between the parties involved (NAs, freight forwarders, carriers and ground handling agents)
  - Number of involved parties (globally)
    - Respective level of preparedness
    - Communication and awareness
  - Lack of clarity and delays in national development and planning

ICS2 FILING OPTIONS

EU Customs legislation lays down **3 filing options**

- Full carrier filing
- Multiple filing
- Autonomous filing of the party owning the particulars

- It remains a commercial choice for freight forwarders & supports the **data sovereignty** of supply chain stakeholders

Reasons for Freight Forwarder involvement in filing

- Freight forwarders serving their shipper clients seek to avoid disruptions in the supply chain:
  - **SLAs** are in place between forwarders and shippers determining lead times
  - The earlier in the process the data is submitted to ICS2 risk profiling, the larger the timeframe to **remedy referrals**
  - Avoidance of bottlenecks
- Freight forwarder filing **supports the ready for carriage principle**, as only goods for which an *Assessment Complete* has been issued will be delivered
- MAWB data is only available later in the process → more difficult to manage consequences of potential referrals, e.g.:
  - De-consolidation & re-consolidation (risk of damages, additional costs)
  - FF has to be contacted in case of RFI to provide information, especially for e-Freight

KEY PRIORITIES FOR THE WAY FORWARD

- Increased **worldwide communication**: focus on SMEs!
- Regional and targeted **workshops with EOs** in the EU
- **Easy-to-understand high-level information** on ICS2 and its impact
- Increased involvement within WCO, ICAO, and international organisations to **promote harmonisation** on security regimes and related data requirements
- Promotion of **private sector cooperation** for successful implementation
- Targeted communication to shippers, especially on **accuracy of the data and HS codes,** needed for accurate ENS filing
- **Alignment, harmonisation and digitalisation** of documents in international trade → documents, packing lists, etc

QUESTIONS?

2023 PLACI Compliance Requirements Session

Q&A session

Christian Piaget, Head Cargo Border Management, IATA

Tahir Syed, Product Manager Cargo Solutions, IATA

Coffee Break 15:00 – 15:30

Kindly sponsored by:

EU Import Control System 2 (ICS2)

Complying with EU Regulation with Traxon Global Customs (TGC)

- Seamless amended for new regulations
- Ready for the ICS2 deadline in March 2023
- Traxon Global Security (TGS) will also support the new preload filing requirement

Traxon Global Customs

2023 PLACI Compliance Requirements Session

Mail filing and postal perspective

Javier Garcia, Customs Programme Expert, Universal Postal Union

Jörgen van Mook, Head of Network Management & Innovation, IPC

Mette Boisen, International Process Manager, PostNord

Mail Filing & Postal Perspective

2023 IATA PLACI Compliance Requirements Session

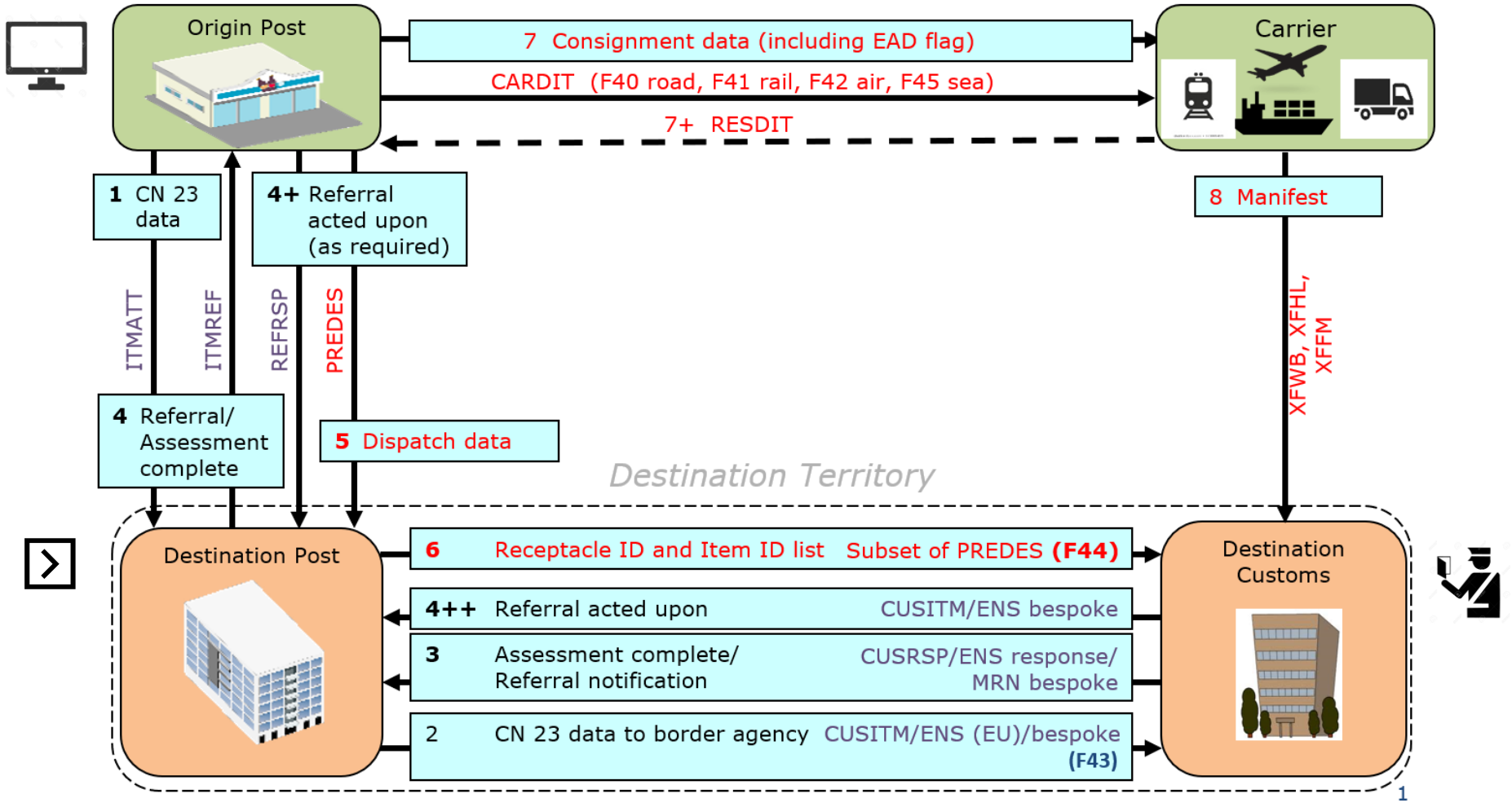
1 November 2022

Geneva, Switzerland

Contents

1. UPU Global Postal Model for EAD based on ICAO-WCO PLACI
2. Upcoming EAD requirements for DOs (Designated Operators)
3. UPU GPM Flows 3-4 -> 7-8 readiness
4. Challenges reported by DOs with EAD GPM implementations

UPU Global Postal Model for EAD based on ICAO-WCO PLACI



(1/2) Upcoming EAD requirements for Posts (CARDIT, ICS2-R2)

New legislation

US – STOP Act – 70% of all incoming items containing goods by 31 Dec 2018 and 100% by 1 Jan 2021
Changes to UPU Regulations (article 8)
EU - ICS2, etc.

S9/S10 linking

S9/S10 linking (nested PREDES) will be required for all items (including non-tracked letter-post items containing goods)

Mandatory ITMATT

Mandatory ITMATT for all postal items containing goods

PLACI – ICS2 R1 (pre-departure)

EU Post at destination. Pre-loading item-receptacle level info needed for ICS2 (flows 1–7 of EAD model – pre-departure data sent by the origin Post, and relayed to ICS2 by EU Post at destination

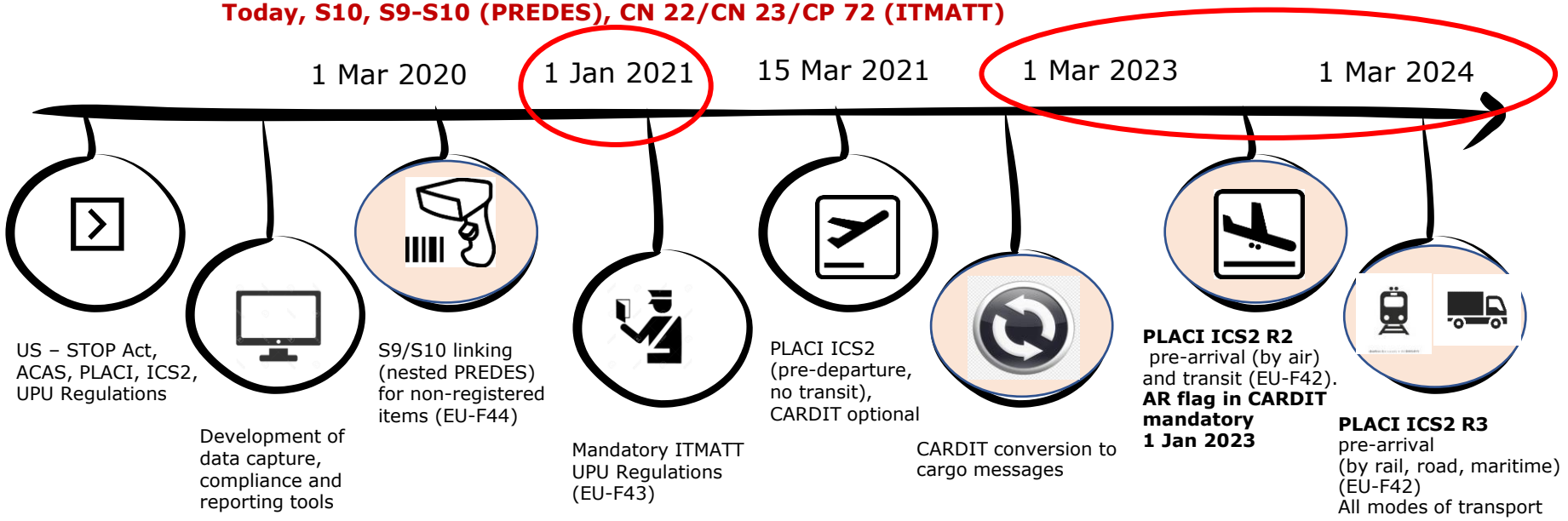
CARDIT conversion

CARDIT message must be converted to XFWB and XFHL cargo messages before filing to Customs (F42), from 2023

PLACI – ICS2 R2 (pre-arrival)

Pre-arrival consignment level for ICS2, from 2023 for airmail and from 2024 for rail, maritime and road (flow 8 of EAD model – pre-arrival data sent by carriers)

Today, S10, S9-S10 (PREDES), CN 22/CN 23/CP 72 (ITMATT)



2021->2022: S10, ITMATT, PREDES, ITMREF-REFRSP
2023->2024: CARDIT AR FLAG, PAPERLESS TRANSPORT

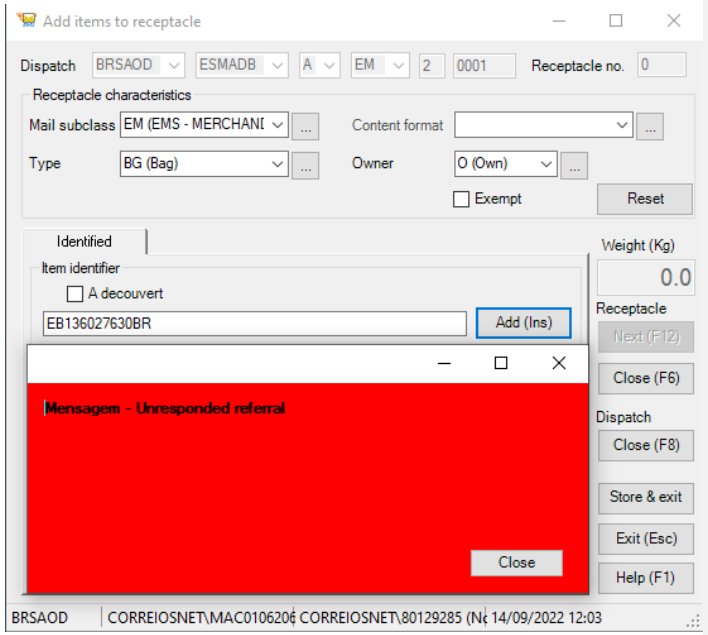
(2/2) Upcoming EAD requirements for Posts (CARDIT, ICS2-R2)

- CARDIT: From 1 January **2023**, **AR-Flag** in mandatory to EAD destinations (Flow 7)
- ICS2 R2 (27+2 EU destinations): 15 March – 15 October 2023
  - Airlines required to file F42 into ICS2 (Flow 8)
  - AR-Flag implies EAD sent for all items in postal consignments, and no open referrals
    - Impact to operations, as origin DOs may need to implement EAD-Check / Similar
  - Additional validation conducted on ITMATT (Flow 1) data
    - Provision of origin/destination **Postcodes** will be validated (where applicable)
    - "**Gift**" category to be used **only for non-commercial** (C2C) items
    - **6-digit HS Codes** will be checked for commercial items (*divergence from UPU Acts*)
  - Transit / Transshipment scenarios
    - Open question on compatibility with UPU Single Postal Territory

UPU GPM Flows 3-4 -> 7-8 readiness

- ~**90 DOs** with CDS.post (CDS 2022) potentially able to exchange **ITMREF**/REFRSP
  - +22 DOs with local CDS 2021/2022 versions
- **27 DOs** transmitting Flow 3 ITMREF (RFI/RFS/DNL & ASC/ERR) in production over Postal EDI Networks (Nov. 2022)
  - **<10 DOs responding to referrals**
- More ITMREF-REFRSP testing and operational piloting is needed
- Flows 3-4->7-8: **81 Posts** on IPS.post technically capable of configuring and transmitting **AR-Flag in CARDIT**
  - 53 Posts observed to have transmitted AR-Flag in CARDIT

Customs Decision	Decision Reason Name
RFS (Request for screening)	Request for screening
RFI (Request for information)	Request for information
RFI (Request for information)	Request for information
DNL (Do Not Load)	Do Not Load
ASC (Assessment complete)	Assessment complete
ASC (Assessment complete)	Assessment complete
ASC (Assessment complete)	Assessment complete



Challenges reported by DOs on EAD GPM implementations

- Social vs Commercial customers, and enforcing data quality
- Incorrect return of non-goods items, or items missing non-UPU fields (TARIC codes)
- Complete technology infrastructure review to meet new data requirements
- Operational realignment (heavy burden of additional Flow 5 handling)
- Data privacy and protection implications (legal aspects)
- Inability to pilot with EU Customs (lack of Customs engagement / readiness)
- Operational processes for ERR/RFI/RFS handling may need to be reviewed once ITMREF starts following operational realities and protocols
- RFS is still not clear in all origins by whom the further screening shall be done, this should not cause more complications and costs to the origin DO
- Avoid hampering mail flows while waiting for Assessment Complete

Thank you!

Any questions?

transport@upu.int

customs@upu.int

International Post Corporation

FROM ICS2 RELEASE 1 TO ICS2 RELEASE 2

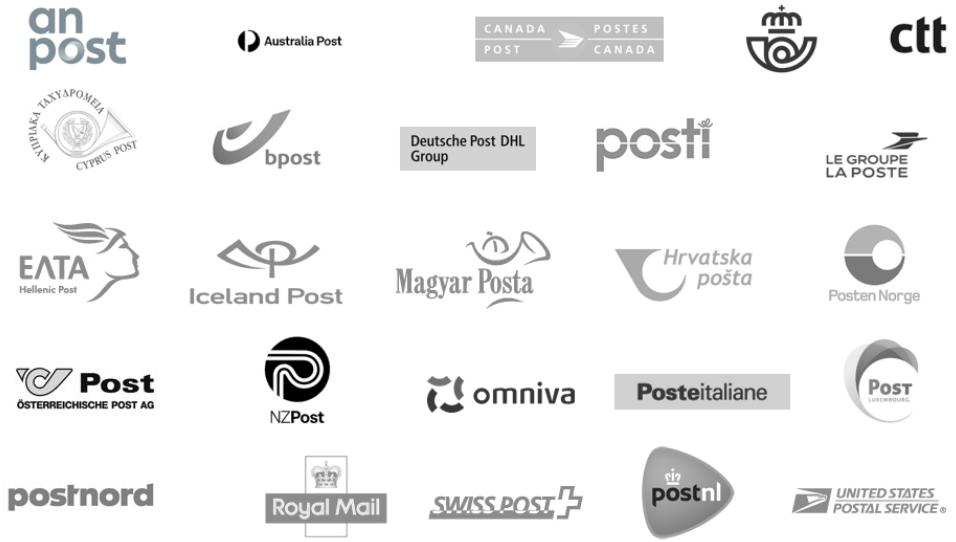
The IPC perspective

ABOUT INTERNATIONAL POST CORPORATION

"IPC supports postal competitiveness and performance on cross-border letter and parcel delivery markets"

Founded in 1989 and based in Belgium

25 member posts

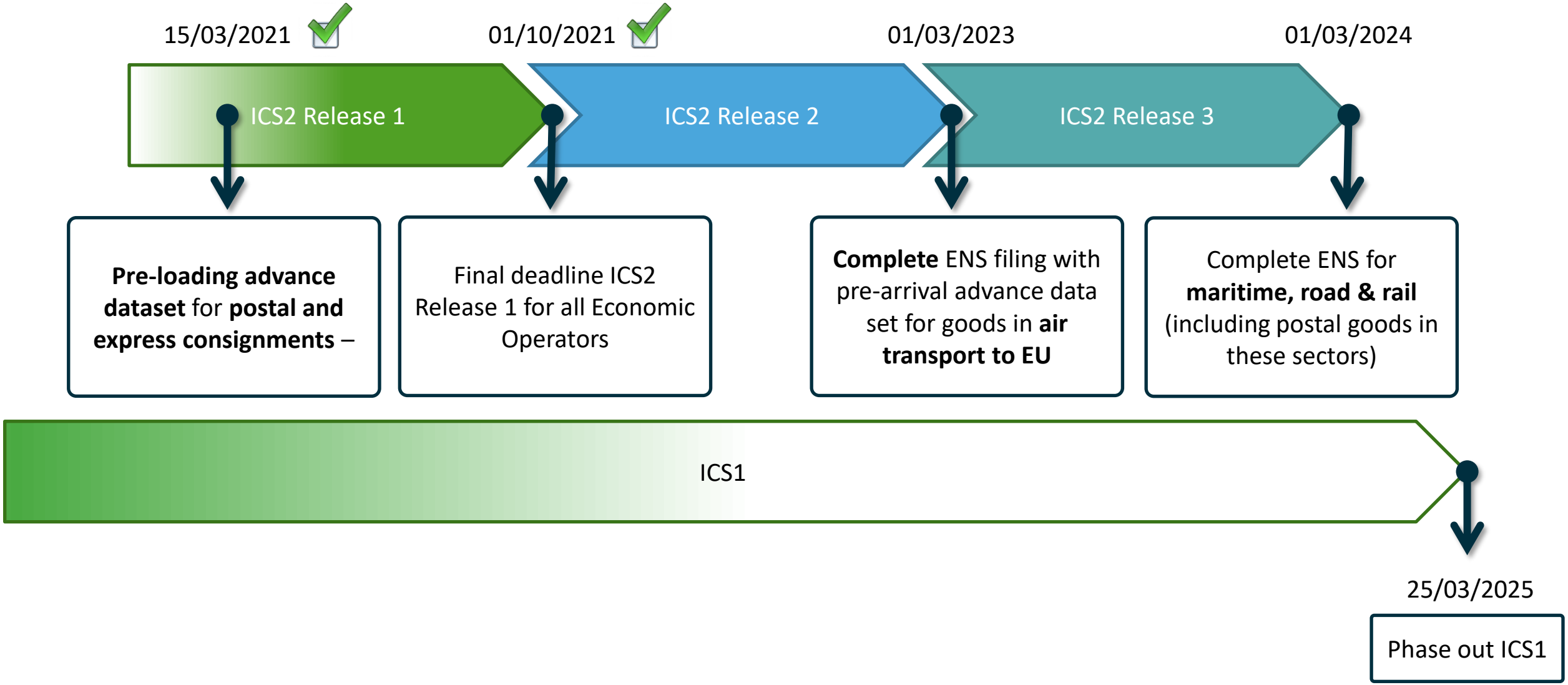


My name: Jörgen van Mook

My role: Head of Network Management & Innovation

ICS2 TIMINGS

Key dates



ICS2 POSTAL DEPLOYMENT STATUS

International Post Corporation

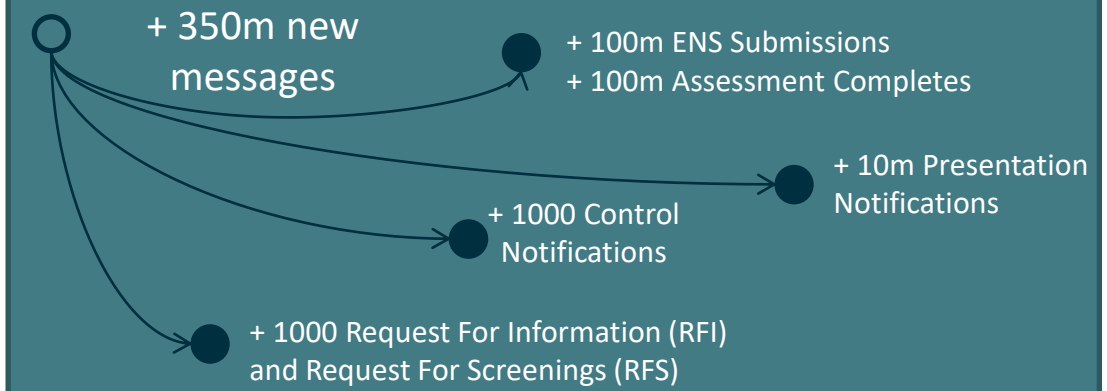
It is a success with challenges and the shared service approach has proven its operational and economic efficiency

26 ICS2 (EC) Countries using the IPC solution

AT	ES	IE	NO
BE	EE	LU	PL
BG	FI	LT	PT
CH	FR	LV	RO
CY	GR	MT	SK
CZ	HR	NL	SE
DK	HU	NI*	

* Northern Ireland in progress pending BREXIT regulation

Key Figures since 15/03/2021



Key Successes

- Successful onboarding of ENS filing by 26 postal operators in relation with EC ICS2 and member states customs
- 4 postal operators outside EU using IPC solution for ENS filing status management
- In total 30 Posts part of the IPC COMETS solution
- IPC provides ongoing support & maintenance and communication around Business Continuity Plan
- Using both traditional postal EDI standard messages as well as API interfaces
- Knowledge build up during deployment helps to deal with challenges of release 2

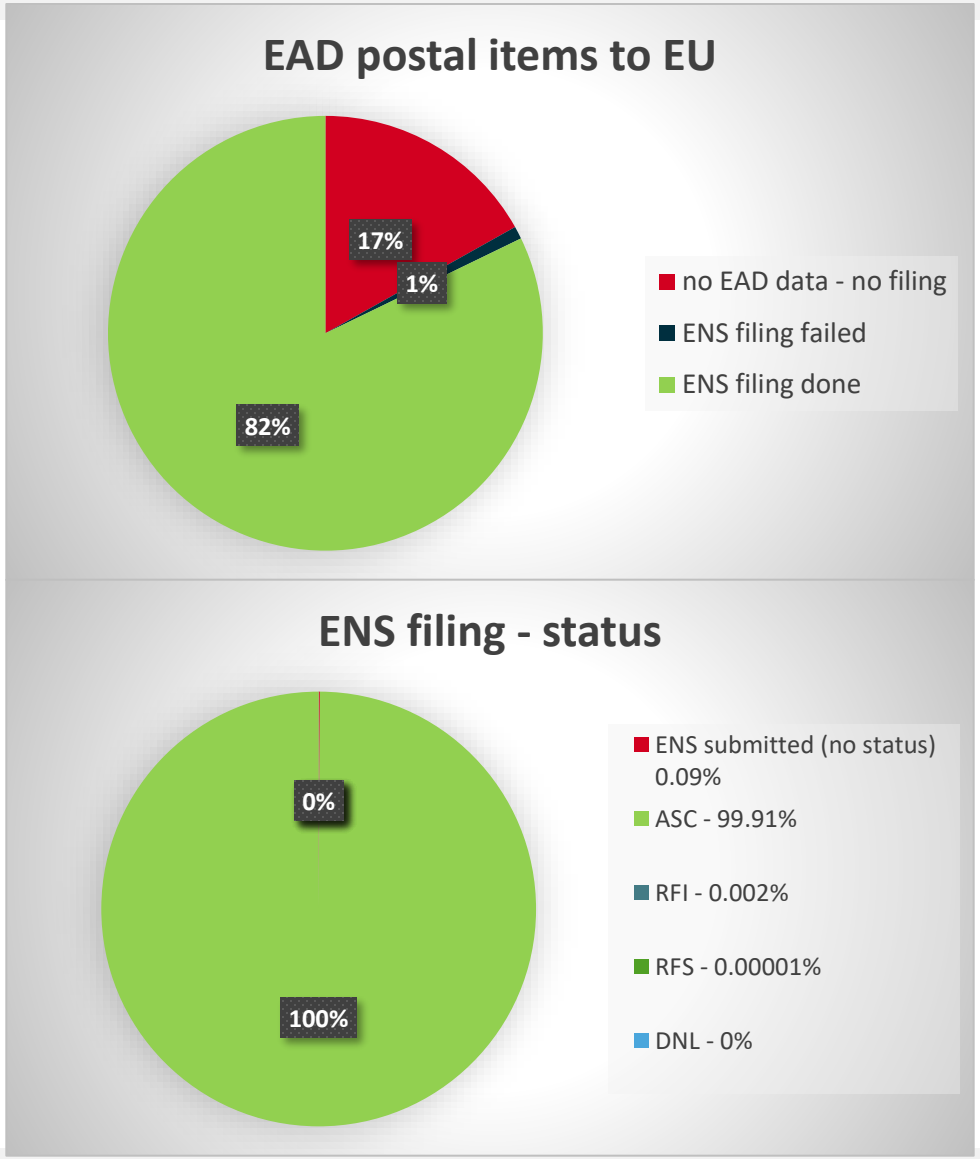
Challenges

- ICS2 business and functional requirements came with quite some challenges – learning curve how to interpret, changes during the process, …
- Higher than expected complexity due to numerous edge cases and interpretations of the regulation
- Data quality source data
- No full alignment between EC requirements and UPU standards
- Impact of new processes on operations (business continuity plan)

ENS FILING – STATUS

Postal Items to EU – ENS filing and Response status

Item Status	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
Total nr. of Items	6873996	7069570	6710809	6203006	6158797	6819349
items without data - no filing	1175532	1120856	1225579	1045416	1064242	1090191
ENS filing failed	88589	75270	66118	48809	45067	50930
ENS filing completed	5609875	5873444	5419112	5108781	5049488	5678228



Item Status	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
ENS submitted	5609853	5873425	5419078	5108694	5049184	5676139
ENS submitted (no status)	9310	5640	1016	5474	1056	6727
ASC	5600463	5867632	5417922	5103072	5048044	5669253
RFI	78	152	140	147	84	159
RFS	2	1	0	1	0	0
DNL	0	0	0	0	0	0

KEY ISSUES FROM EXPERIENCE OF ENS FILING

Impact of data and IT system availibility on operations

International Post Corporation

- High dependency on Data and IT Systems
  - Business Continuity Plan activiated due to system outages
  - Almost daily reports of temporary outages member states customs; in addition a handful of EC system outages in 2022
  - During outages no ENS submissions are possible
  - Items are “waived” under BCP, but implementation on the workfloor of this BCP does not work – process to be improved
- Level of Compliance – Items without ITMATT cannot be filed in the EU
  - ITMATT is missing means no data to create ENS file – item without ITMATT is non compliant
  - ITMATT is available but mapping to ENS cannot be completed (ITMATT incomplete) – mandatory data missing
  - ITMATT is available, mapping to ENS successful, but ENS filing failed, conditional data missing or incorrect data
- Data Quality
  - **Data set validation** by EC Systems, e.g. the ENS fails in the following cases
    - **Missing post code** for sender and/or addressee – post codes are mandatory for countries that use a post code system
    - **Missing content piece information** – order of the content pieces, value, country or origin, … are all mandatory data elements
    - **Duplicate item identifers** - item identifiers (S10) needs to be unique in a 12 month period
  - Risk assessments in Member States use algoritms to detect **“fake” data**, e.g. sender or addressee name “UNKNOWN” is blocked and Request For Information is raised

NO ENS FILING, NO ACS AND TEMPORARY STORAGE

Implications of missing EAD, filing failures and referrals – INBOUND Destination Post in EU

Several Member State Customs require completion ENS filing ICS2 before accepting item for fiscal clearance
Non-compliant items go into Temporary Storage

Item ID scanned when placed on conveyor → Items without ITMATT or ASC separated and placed in temporary storage → Items re-injected hours later
If longer than X days unresolved
Return to Sender

FROM ICS2 RELEASE 1 TO RELEASE 2

Operational Consequences – OUTBOUND Origin Post outside EU sending to EU

Postal Operators sending postal items to EU (CH + NO) need to segregate non-compliant items
Only items compliant with EAD regulatory requirements can be placed in bags for dispatch and handover to airlines

Item ID scanned when placed on conveyor

Items without ITMATT or ASC separated and placed in temporary storage

Items re-injected hours later
If longer than X days unresolved
Return to Sender

Compliant items handed over to airlines; CARDIT with “AR” flag to confirm all items compliant

FROM ICS2 RELEASE 1 TO RELEASE 2

Readiness Posts

- UPU Global Postal Model and solutions available
  - Posts obliged to send ITMATT for items with goods
  - Postal EDI message to Airlines (CARDIT) has to be populated with a declaration that for all items in the receptacles handed over for carriage, the post has complied with the EAD regulatory requirement, “AR flag”
  - The UPU IPS operating system (used by many posts) is set up to validate if items are compliant in order to generate a CARDIT with applicable regulations flag “AR flag”
  - Posts with proprietary systems are applying similar validations, IPC COMETS provides APIs to posts to validate the EAD status of the items in order to generate CARDIT with “AR flag”

- ENS filing v.2 and HS Code
  - Posts are working on additional challenges related to ICS2 release 2 in terms of being ready for next ENS filing version for all applicable messages
  - Outstanding challenges for posts to comply with HS Code requirement => risk readiness

FROM ICS2 RELEASE 1 TO RELEASE 2

Readiness Airlines for carriage of Airmail to EU

International Post Corporation

Air Carriers and exchange of postal EDI

- Based on electronic data from postal EDI messages IPC has identified that there are 320 air carriers carrying airmail globally and 170 air carriers carrying mail into the EU (CH+NO incl)
- Of the 320 air carriers worldwide 107 have a mailbox on EDI network to exchange postal EDI (CARDIT-RESDIT)
- Of the 170 air carriers 79 have a mailbox to exchange CARDIT-RESDIT
- 91 out of 170 air carriers that carry mail into EU are not capable to exchange CARDIT-RESDIT to date

IATA – IPC Survey on readiness ICS2 release 2 for airmail

- The survey (May22) revealed at that stage close to 50 air carriers were in process of acquiring ICS2 filing solutions from their mail handling & EDI solution provider (far from 170 carrying airmail to EU)
- Not clear how many airlines have acquired ICS2 Airmail filing solutions from Cargo system providers

FROM ICS2 RELEASE 1 TO RELEASE 2

Readiness Airlines for carriage of Airmail to EU

International Post Corporation

Identified gaps

- **CARGO system operating carriers without a Mailbox on Postal EDI network cannot process CARDIT:**
  - cannot validate electronic security declaration in CARDIT for acceptance
  - cannot file ENS for Airmail

- **Carriers with Mail handling systems:**
  - need to acquire ICS2 filing solutions from their mail handing system providers
  - Need to roll out scanners/workstations to handlers at all outer stations
  - Need to transfer data from mail system to cargo system in case ENS filing is done from cargo system manifest data

- **Ground handlers are key actors to validate mail receipt for carriage to the EU:**
  - Challenge in operating different systems for different carriers
  - Handlers that use their own system may not have access to CARDIT data in live operations to validate for security declaration

- Challenges in ability to validate airmail for acceptance at all stations the airline operates
- Challenges to transfer data and convert data between mail and cargo systems
- Risk readiness airlines and risk for post to continue to have access to airline capacity for airmail carriage to EU

Mail Filing & Postal Perspective

2023 PLACI Compliance Requirements Session

PostNord – a postal operator in EU
Mette Boisen; 1st November 2022
Geneva, Switzerland

postnord

Mette Boisen

- Employed as International Process Manager at PostNord
- Among others I am responsible for international transports by air and sea out of the Nordics. I have worked with international transports since 2002
- Since January 1, 2022, I am chairing
  - UPU’s Transport Group together with China Post
  - IATA UPU Contact Committee together with American Airlines
- PostNord is the designated operator in Denmark and Sweden, and was established in 2009 when Posten AB and Post Danmark A/S merged
- Denmark and Sweden are both members of the European Union, so my presentation will focus on the inbound perspective

ICS2 Implementation status

- PostNord receives following messages in line with the Global Postal Model from the origin operators
  - ITMATT (7+1 PLACI information) for all items with goods
  - PREDES from sending operators for all dispatches no matter if it includes goods, documents or both
- Together with other European postal operators we have engaged with International Postal Corporation to
  - Convert ITMATT messages into F43 ENS filing and transmit it to the customs authorities
  - Transform PREDES into F44 message and transmit it to the customs authorities
  - Transform referrals to postal messages and send them to the origin post
- PostNord sends an arrival notification (N06) to customs authorities when the items arrives at the destination country

Challenges

- ITMATT messages
  - We don’t receive ITMATT messages for all items with goods
  - The quality of the ITMATT messages we receive is not good enough – often this is due to missing information or incorrect information
  - In some cases, the time between ITMATT (thereby the ENS filing) and the arrival at destination is more than 30 days. In such cases, it is not possible to create the arrival notification,
- Not all postal operators have implemented the postal EDI-message standards M53 (ITMREF) & M54 (REFRSP) in order to be able to receive and act upon the referrals
- There are unclarified topics in relation to release 2 still being discussed between EU and UPU (legal aspects, transit and transshipment)
- ICS2, release 2 is not fully aligned with the UPU Global Postal Model

Impact on Postal Systems

- IT systems
  - COMETS
    - On behalf of European Postal operators International Postal Corporation has developed COMETS
    - COMETS translates and sends messages between inbound Postal operators and the European Commission
  - Updated PostNord's Customs systems, not only due to ICS2 but also VAT0
  - API based integration between COMETS and PostNord's internal IT systems

- Operational processes/systems
  - Updated our inbound sorting process so it reflects the requirements in ICS2 and VAT0

Collaboration/engagement with stakeholders (1)

- Customers:
  - The destination post has no engagement with the sending customer. The responsibility lies with the origin Post.

- Other postal partners
  - Together with other European postal operators we have tasked International Postal Corporation to develop COMETS
  - Dialogue with major postal partners to ensure
    - That we exchange the necessary EDI messages
    - That the quality of the EDI messages are sufficient
  - Engaged actively in UPU discussions

Collaboration/engagement with stakeholders (2)

- Destination Customs
  - Regular meetings on 3 levels
    - Regulation
    - Operational
    - Technical, both in relation to internal and external aspects
- Airline partners:
  - The destination post has no engagement with the airline, the responsibility lies with origin post
  - Regular meetings with our national carrier in order to keep track on development and discuss issues of common interest

Expectations to EU

- Realistic approach to what is possible and when
- Involve stakeholders, so development of ICS2 is based on knowledge and experience rather than a theoretical exercise
- One Global Postal Model

Thank you

Any questions?

Mette.Boisen@postnord.com

postnord

PLACI market study results

Market & Consumer Insights team

October 2022

8 November 2022

Methodology

Quantitative online survey: 80 respondents representing a mix of stakeholder groups
Survey was sent to Cargo Services Conference 80+ member airlines, Cargo Customs Working Group (15-20) airlines (most of them are part of CSC membership) and individual stakeholders from Tahir's contacts that usually seek support for custom filing issues.

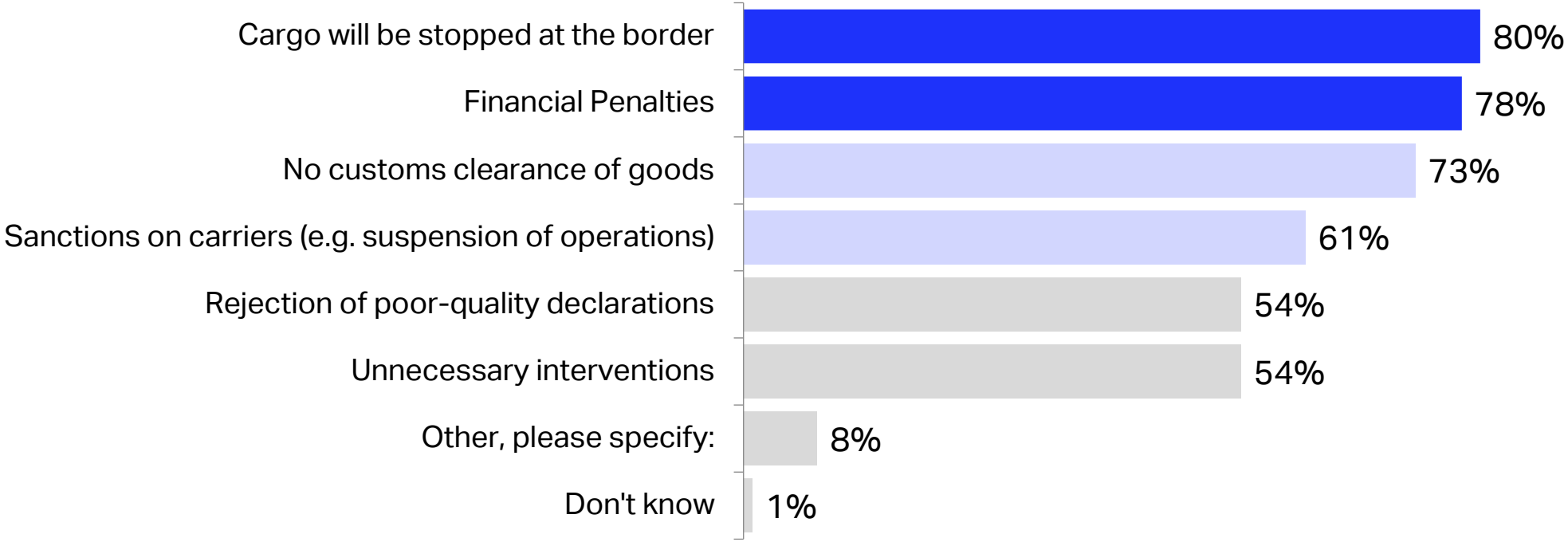
Final respondents had the following characteristics:

Stakeholder group	Seniority – mentions in job title	Role – mentions in job title
Airlines: 43	(Senior) Manager: 46%	Cargo: 28%
Ground Handling Agent: 20	CEO/Officer: 10%	Customs (compliance): 14%
IT Service providers:7	Director: 9%	Operations: 13%
Freight forwarders: 4	Head: 8%	IT: 6%
Airports: 2	Assistant: 4%	Security/safety: 6%
Other: 5		

Survey was live in September 2022

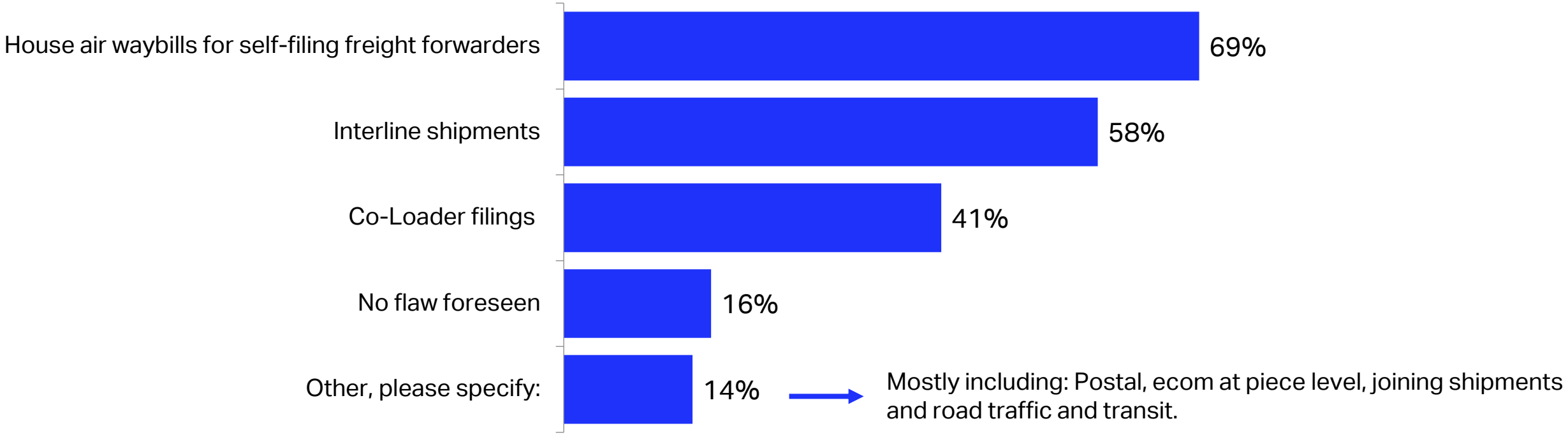
Current PLACI knowledge

Cargo being stopped at the border and financial penalties seen as key PLACI consequences



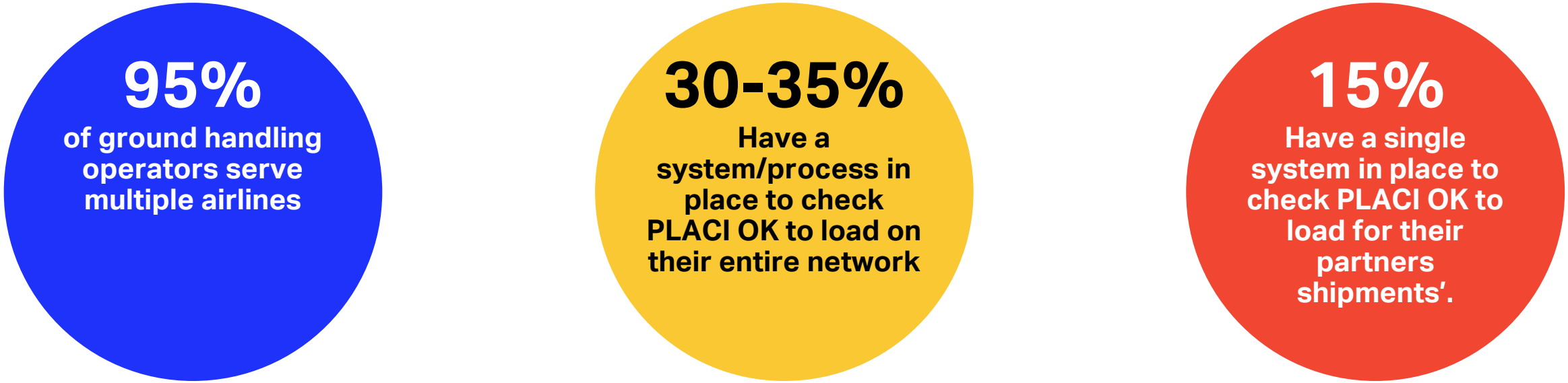
Q8 - Which of the below mentioned consequences do you believe could be due to non-compliance with PLACI requirements? Please mark all that apply. N: 80

Majority believes there are flaws in the visibility of the PLACI outcome



Q10 - All the stakeholders along the journey of the shipment need to have full visibility on each other's PLACI risk assessment status to be able to intervene and take necessary actions for ensuring PLACI compliance.
If you consider there are flaws in the current process that restrict visibility on the PLACI risk assessment outcome, please mark all the situations below where you believe the visibility is impaired. N=80

Majority of **ground handling operators** does not yet have a PLACI system in place



50% don't have any system in place

Q11 - Are you serving multiple airlines? Q12 - Do you have processes and/or a system in place to validate the PLACI OK to Load prior to Shipment Acceptance on your entire network? And Q68 - Do you have a single system in place where you can get latest risk assessment outcome for all applicable PLACI regimes for your own as well as your partners' shipments? N=20 (Ground handlers only)

2023 PLACI Compliance Requirements Session

Q&A session

Christian Piaget, Head Cargo Border Management, IATA

Tahir Syed, Product Manager Cargo Solutions, IATA

Thank you to our sponsors!

IATA

2023 PLACI Compliance Requirements Session

1 – 2 November 2022
IATA Office, Geneva, Switzerland

2023 PLACI Compliance Requirements Session

Welcome & recap of day 1

Tahir Syed, Manager Cargo Solutions, IATA

Thank you to our sponsors!

IATA

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1 – 2 November 2022
IATA Office, Geneva, Switzerland

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Welcome & recap of day 1

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Thank you to our sponsors!

IATA

IATA Competition Law Guidelines

Do not discuss:

- Pricing, including fares, service charges, commissions, etc.
- Bids on contracts or allocation of customers
- Geographic/Product market allocations and marketing plans, including
  - Expanding or withdrawing from markets
  - Group boycotts
  - Your commercial relations with agents, airlines or other third parties
- Any discussion aimed at influencing the independent business decisions of your competitors

Delegates are cautioned that any discussion regarding such matters, or concerning any other competitively sensitive topics outside the scope of the agenda, either on the floor or off, is strictly prohibited.

Summary of Day 1 (1st November 2022)

Summary (1 of 11)

1.Welcome by IATA (Brendan Sullivan)

- Air Cargo Security is key priority for the industry
- Compliance to PLACI initiative is a must

2.Setting the scenes by IATA (Christian Piaget)

- Reminder on PLACI initiative
- Overview of PLACI programs (US-ACAS, EU-ICS2, CA-PACT, UK-PreDICT)
- Consequences of non-compliance
- Compliance with PLACI requires New Procedures,24x7 contact, New IT System, Improved Data Quality, Training
- Cargo-XML is the recommended standards as C-IMP is limited and doesn't support ICS2 data set
- Collaboration between the business partners (Airlines, FFs, Post, GHAs, Shippers) is a key for success.
- IATA's role: Working Group, Board, advocacy with regulators, Publication & Communication,

3.Presentation from EU Commission (Klemen Oven)

- ICS2 Objectives:
  - Supervise and Monitor flow of goods to EU by collecting advance data (prior to arrival)
  - Anticipate risks and facilitate legitimate trade via joined up risk analysis
  - Mitigate safety and security risks prior to loading and prior to arrival.
- EU-ICS2 is not an upgrade of EU-ICS1 but a completely new program.

Summary (2 of 11)

3.Presentation from EU Commission (Klemen Oven) contd..

- How does ICS2 Works?
  - ICS-STI (single entry point for all trade)
  - ICS2 Common Repository (Validate Data, Analysis)
  - 30 Member States i.e. 27 EU+CH=NO+UK-I (Risk Analysis, Controls)
- What is the Intervention Logic?
  - Pre-Loading: Before loading goods in 3rd Country
  - Pre-Arrival:
    - Customs office of First Entry Customs office of Unloading Customs office of Clearance Customs office of Destination
- Who is responsible for EU-ICS2 Filing?
  - Air Carriers are responsible or any person issue transport doc (not sharing data with carriers)
  - ETOE (Extraterritorial Office of Exchange) issuing house and Postal Operators for Mail Item Level Data
  - Express Carriers/Integrators for express consignment.
- What are the changes to ICS1?
  - New IT Systems & Interfaces
  - New Data Requirements
  - New Formats and structures for Messages
  - Contractual agreements between airlines and other parties
  - Changes to Operational Processes such as referrals

Summary (3 of 11)

4.Presentation from EU Commission (Renata PAULIUKAITYTE)

- EORI becomes mandatory for multiple Parties
  - Declarant, Representative, Carrier, FF, Consignee, IT Company
- How to get the EORI?
  - EU Operator from its own MS
  - Non-EU Operator from the filing MS
- For multiple filing, Air Cargo Stakeholders must share their EORI with each other.
  - Carrier needs to indicate the FF that will file the house level ENS filing,
  - FF needs to indicate Carrier for the multiple filings to be linked into an ENS
  - Multiple Filings -> Linking ENS (Master Air Waybill links Carrier filing & House filing)
- ENS Filing Requirements Overall Process
  - Preload: FF->Lodge PLACI and MS->Risk Assessment + Referral
  - Prearrival: Carrier-> Lodge ENS -> Risk Assessment +Referral, Lodge AN-> Control, Lodge PN->Control
- ENS Filing Requirement – General Cargo
  - Partial or Full ENS
  - Each ENS gets MRN
  - PLACI data set can be separate or together with ENS
  - An ENS is composed from one full or several partial ENS filings
  - One ENS has to be lodged for one MAWB
- Overview of which ENS filing messages to use by carriers, freight forwarders & Postal Model
- PLACI for express shipments will always be filed by Express Carriers.
- Review PLACI and ENS Structure

Summary (4 of 11)

4.Presentation from EU Commission (Renata PAULIUKAITYTE) contd..

- What are New Data Requirements in ICS2?
  - ENS Data-> Parties, HS Codes, Locations, Transport, Supporting Documents
  - PLACI Data-> Parties (consignor, consignee and their address, phone, e-mail), Goods (description, weight, packages), Transport documents (HAWB, postal items)
- What are different sources to channel the data?
  - Master Air Waybill
  - House Air Waybills
  - Commercial documents such as invoice, packing list etc.
  - Booking Systems.
- Final Points:
  - Familiarize yourself with the new requirements.
  - If you file MAWB, get necessary data.
  - Develop IT Systems
  - Obtain EORI
  - Establish Operational Protocols
  - Training
  - Always looks for updated ICS2 materials.
  - Read FAQs.

Summary (5 of 11)

5. Q&A session with EU Commission (Renata Pauliukaityte, Klemen Oven)

- EU Commission confirmed following
  - Mail (Item of correspondence) exempted from EU-ICS2 Filing
  - HS Code (6 digit) not required for non-commercial Mail Filing
  - Diplomatic mail exempted from EU-ICS2 filing
  - Its legal requirement to provide EU based Consignee EORI. ICS2 will implement its own logic to find out Consignee EORI is missing. RFI will be generated if found missing
  - Multiple EORIs for one EO is against the rules
  - If carriers have EORIs from multiple MS, its carrier choice to use any one EORI
  - Components testing is already available. Client need to register
  - End to End testing is recommended
  - Though EU-ICS2 will be ready by 1st March 2023, there will be phase deployments
    - 1st Deployment Window (Carrier): 1st March 2023-30th June 2023
    - 2nd Deployment Window (House Filer): 1st Jul 2023 – 2nd Oct 2023
  - Get in touch with the MS for the deployment
  - EU Commission will provide further guidance on what is expected in the 1st Deployment.
  - ICS1 will be dropped as soon as carrier completes migration to ICS2

Summary (6 of 11)

5. Q&A session with EU Commission (Renata Pauliukaityte, Klemen Oven) contd.

- EU Commission confirmed that
  - Screening at origin outside EU is only accepted if done by Regulated Agents (RA3) or Regulated Carrier (ACC3) or the government approved parties.
  - Companies can be registered as global declarant
  - Enforcement will start immediately after the deployment windows; carriers should target for 100% compliance.
  - EU will share the sample data.

6. EU-ICS2 Challenges and how IATA Products and Services Facilitate Compliance (Tahir Syed)

- US-ACAS is already live and airlines are facing following challenges
  - Airline outstations don't always have visibility on latest customs status (risk assessment/referral) as GHAs are 3rd party using dis-integrated IT Systems
  - Cargo Handlers serving multiple airlines have to use multiple systems (supplied by airlines) to validate OK to Load
  - Airlines lack visibility on the PLACI risk assessment outcome of FF filing (house waybills), Co-Loader filings and interline shipments
  - Dual Filing, Referral cascading etc. add further complication to cargo operation

Summary (7 of 11)

6. EU-ICS2 Challenges and how IATA Products and Services Facilitate Compliance (Tahir Syed)

- EU-ICS2 brings additional challenges
  - Postal Mail advance data filing is a big challenge.
  - Cascading referrals to the GHA or other partners.
  - HS Codes Mandatory
  - Mode of Transport and Consignee Type of Person mandatory
  - EORI mandatory for multiple parties (declarant, Consignee, IT Service Provider)
- Following components needs to be addressed to ensure EU-ICS2 Compliance:
  - Upgrade Cargo Operation SOPs (Hub & Outstations) Warehouse Acceptance -> Manifest/Loading
  - Implement new business processes with shippers, freight forwarders, interline partners, ground handlers and Posts.
  - Enhance Cargo Management/Transport Logistics System to support additional data & processes. Integrate Mail Systems.
  - Upgrade Cargo Messaging Standards to Cargo-XML to transmit the required data elements.
  - Implement EU-ICS2 filing solution in place i.e. transmit data, receive risk assessment responses, referrals etc.
- IATA Products and Services
  - IATA PLACI Manual contains general rules, business processes https://www.iata.org/placi/
  - IATA Cargo-XML Manual and Toolkit contains messages specs and schema https://www.iata.org/en/publications/store/cargo-xml-toolkit/
  - IATA EPIC Portal https://www.iata.org/epic/
  - IATA Training https://www.iata.org/training/
- IATA EPIC Demo
- Review EPIC Adoption Status

Summary (8 of 11)

7. Lufthansa perspective on EU-ICS2 Initiative (Rani George)

- New business processes
- New Solutions
- Outstation engagement -> 3rd Parties GHAs
- Partner engagements (5000+ FF, 200 GHAs)
- Impact on 3 levels: New Processes, Communication, IT Systems
- Referrals handling challenges RFI,RFS,DNL
- Interline, self-filing freight forwarder issues
- Postal Mail -> Postal Air Waybill + Integrate Mail into Pre-Arrival
- Testing to be started in February
- Go Live March 2023

8. DHL Express perspective on EU-ICS2 Initiative (Gordon Wright)

- Advocacy with the regulators/member states
- Experience of EU-ICS2 release 1. Successfully achieved on time compliance.
- Shippers' engagement, data quality
- Lane testing approach->gradual deployment-> GO Live
- Build relationship
- RFI could be addressed by the HUB however RFS are always assigned to Origin

Summary (9 of 11)

9. DNATA Perspective on EU-ICS2 Filing as GHA (Lawrence Cockburn)

- Current Pre-Arrival Model Operational/Message Flow
- PLACI contains pre-arrival element however existing pre-arrival processes must be upgraded
- Destination GHA is equally important and must have complete visibility on MRN for Temp Storage, Clearance etc.
- GHAs need to introduce further check points at Acceptance, Warehouse, Manifestation, buildup and loading.
- Filing part may move to origin/hub but destination GHA role is critical for Presentation of Goods
- XCSN play a critical role
- GHA will continue to play an important role in PLACI
- Full engagement and collaboration underway with all our handled carriers

10. CLECAT/KN Perspective on EU-ICS2 Filing (Andreas Wilhelm)

- CLECAT Introduction
- Boosting awareness and readiness for Freight Forwarders
- Cooperation with private sector and engagement with EU Commission
- Major issues foreseen:
  - Dependencies on multiple parties (readiness of all partners)
  - Technical limitations
  - Lack of clarity and delays on MS level
  - data sovereignty in case of multiple filing option
- Why FFs role is important? MAWB available late in the process, support Ready for Carriage Principle, FF represent Shippers
- Worldwide Communication is a key for EU-ICS2 success

Summary (10 of 11)

11. UPU Postal Mail Filing perspective (Javier Garcia)

- Presented Global Postal Model
- Mail Item Level data already files by Posts since 2021
- AR Flag mandatory in CARDIT 1 March 2023
- CARDIT conversion to Cargo Messages
- Challenges reported
- RFS is still not clear in all origins by whom the further screening shall be done, this should not cause more complications and costs to the origin DO
- Avoid hampering mail flows while waiting for Assessment Complete

12. PostNord perspective on EU-ICS2 (Mette Boisen)

- Shared progress on ICS2 release1 filing
- Challenges: Incomplete missing data, poor quality, Not all postal operators implemented ready
- Clarifications required for EU-ICS2 release 2
- ICS2, release 2 is not fully aligned with the UPU Global Postal Model
- ICS2 impacts Operational Processes and IT Systems
- Engagement with customs, destination post, carrier is a key

Summary (11 of 11)

12. UPU Postal Mail Filing perspective (Jörgen van Mook)
    - IPC Survey on readiness ICS2 release 2 for airmail
    - Identified Gaps:
        - CARGO system operating carriers without a Mailbox on Postal EDI network cannot process CARDIT
        - Carriers with Mail handling systems need EU-ICS2 filing solutions
        - Ground handlers are key actors to validate mail receipt for carriage to the EU:
        - Challenges in ability to validate airmail for acceptance at all stations the airline operates
        - Challenges to transfer data and convert data between mail and cargo systems
        - Risk readiness airlines and risk for post to continue to have access to airline capacity for airmail carriage to EU

- Outstanding Items:
    - Referrals and Risk Assessments OK visibility between the business partners both for Cargo and Mail
    - Self-filing discussions + Freight Forwarders' role
    - Airline readiness status visibility to EU.

PLACI market study results

Market & Consumer Insights team

October 2022

8 November 2022

Methodology

Quantitative online survey: 80 respondents representing a mix of stakeholder groups
Survey was sent to Cargo Services Conference 80+ member airlines, Cargo Customs Working Group (15-20) airlines and individual stakeholders.

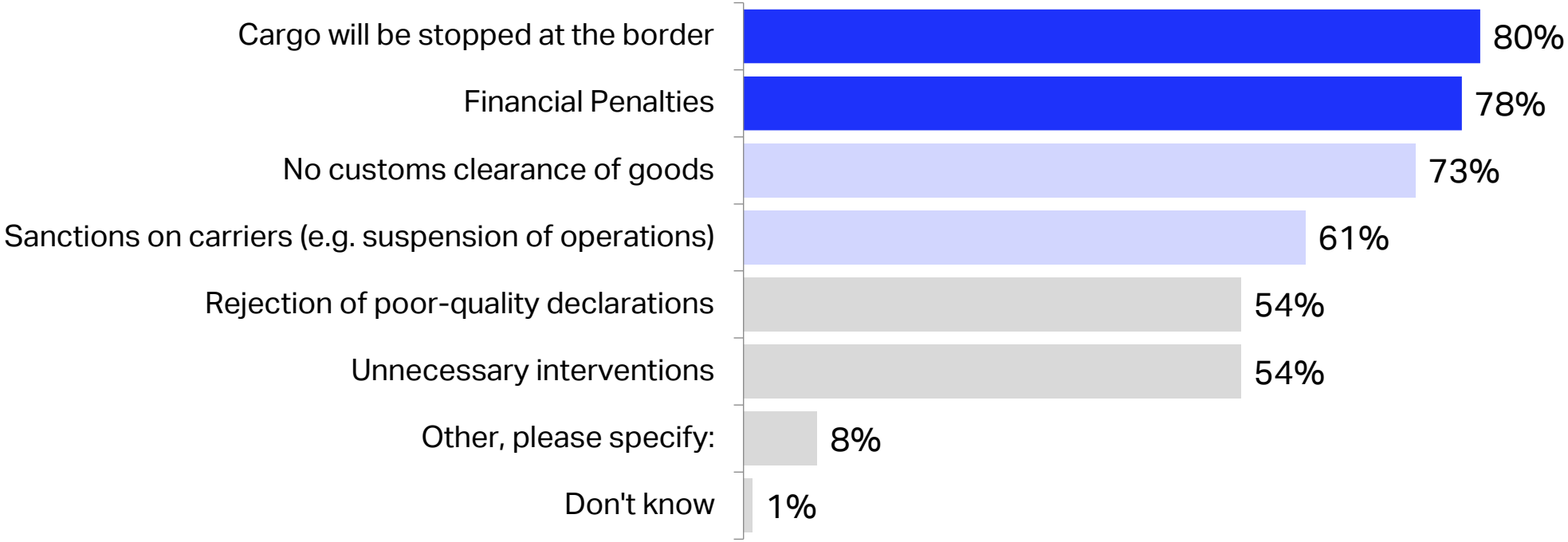
Final respondents had the following characteristics:

Stakeholder group	Seniority – mentions in job title	Role – mentions in job title
Airlines: 43	(Senior) Manager: 46%	Cargo: 28%
Ground Handling Agent: 20	CEO/Officer: 10%	Customs (compliance): 14%
IT Service providers:7	Director: 9%	Operations: 13%
Freight forwarders: 4	Head: 8%	IT: 6%
Airports: 2	Assistant: 4%	Security/safety: 6%
Other: 5		

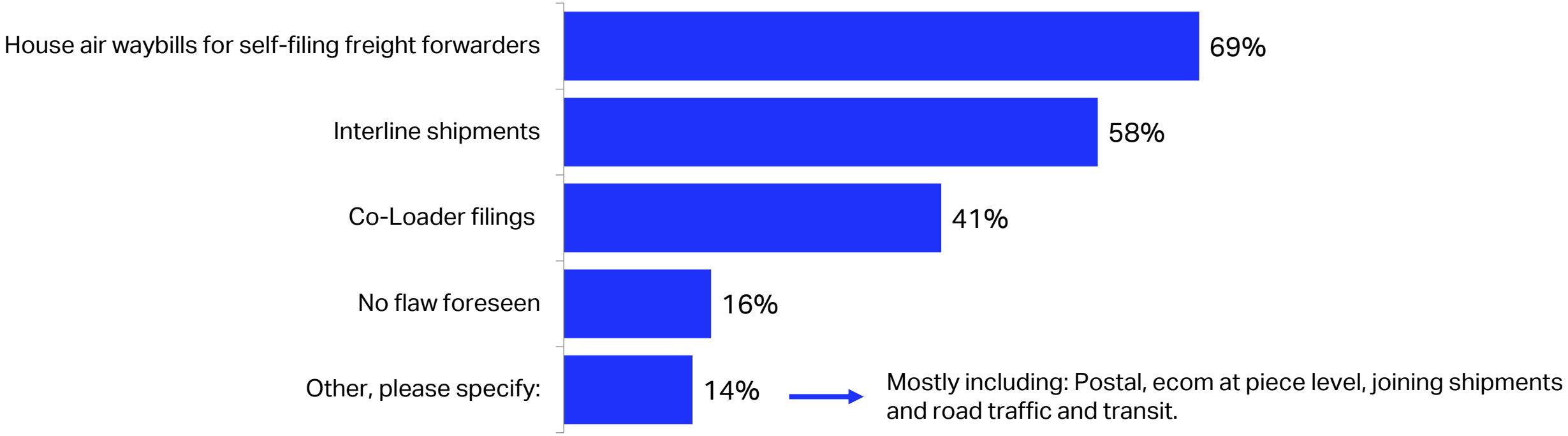
Survey was live in September 2022

Current PLACI knowledge

Cargo being stopped at the border and financial penalties seen as key PLACI consequences



Majority believes there are flaws in the visibility of the PLACI outcome



Majority of **ground handling operators** does not yet have a PLACI system in place

95%
of ground handling operators serve multiple airlines

30-35%
Have a system/process in place to check PLACI OK to load on their entire network

15%
Have a single system in place to check PLACI OK to load for their partners shipments'.

50% don't have any system in place

2023 PLACI Compliance Requirements Session

2023 PLACI Programs in a nutshell

Brook Carrothers, Manager, Pre-load Air Cargo Targeting (PACT) Program, Transport Canada

United Arab Emirates - National Advance Information Center Team

NAIC - UAE

AGENDA

- Project Overview
- About NAIC Law

PROJECT OVERVIEW

- The Program aims to protect the community and facilitate trade.
- Collect advance data of imported, outgoing and transit shipments.
- Pre-clearance of shipments by the port community.
- The program is implemented into two main phases:
  - **ACI:** Advance Cargo Information.
  - PLACI: Pre-Load Advance Cargo Information.

NAIC LAW

- The Carrier shall ensure that all data and information of each shipments, passenger or member of the crew of transportation means are available land that they comply with all due requirements under legislations prevailing in the State.

- The Carrier or Agent shall ensure that the Bill of Lading of shipments match with the transportation means which is arriving to, leaving from or transiting through the State in addition to any other requirements under the legislations prevailing in the State.

Q & A

THANK YOU

2023 PLACI Compliance Requirements Session

Panel discussion with regulators

Moderators: Christian Piaget, Head Cargo Border Management, IATA

& Tahir Syed, Manager Cargo Solutions, IATA

Panelists:

Brook Carrothers, Manager, Pre-load Air Cargo Targeting (PACT) Program, Transport Canada

United Arab Emirates - National Advance Information Center Team

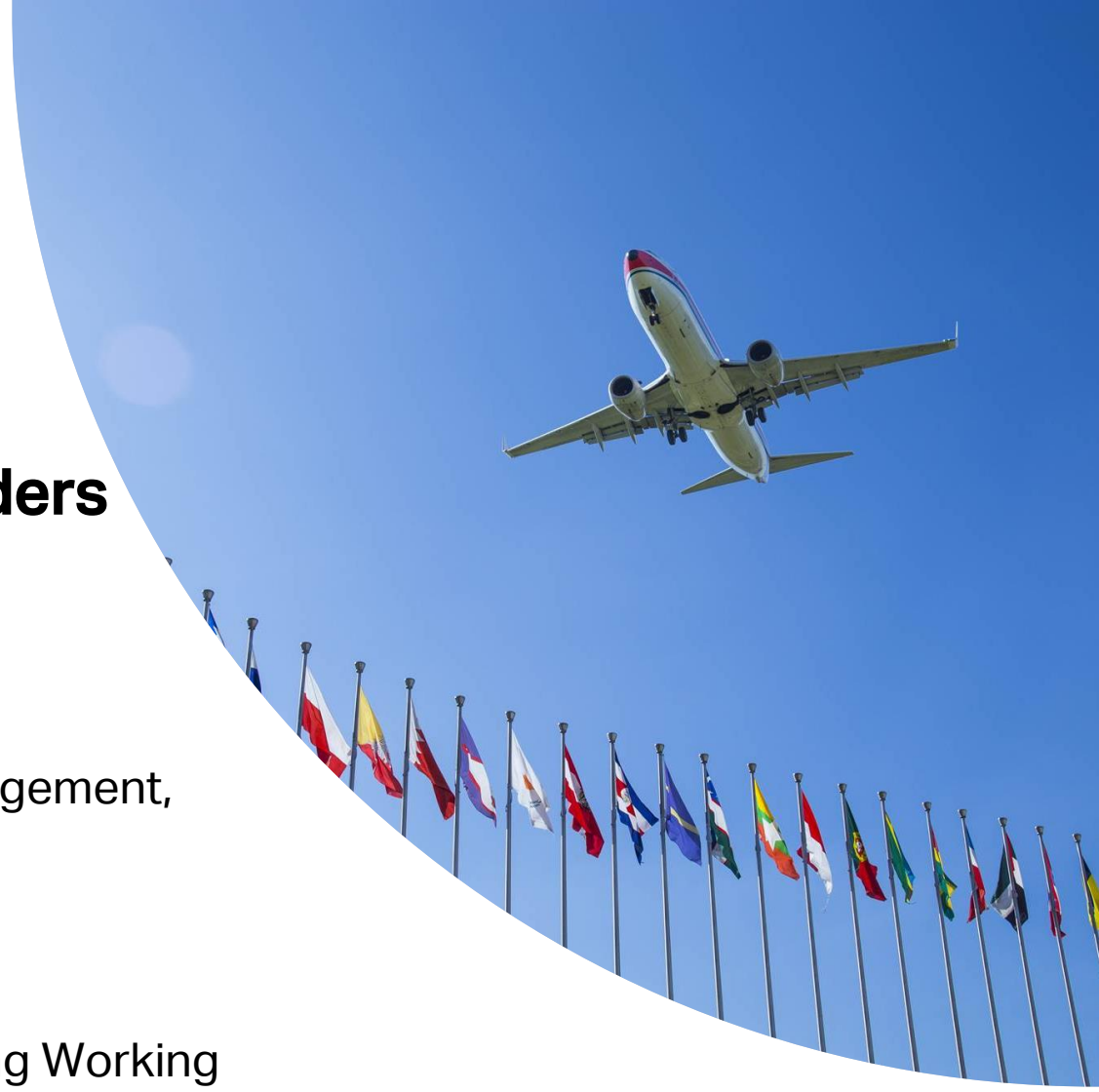
Matthew Weston and Nick Scavenger, United Kingdom Home Office

IATA

2023 PLACI Compliance Requirements Session

Coffee Break (10:30 – 11:00)

2023 PLACI Compliance Requirements Session



Panel discussion with Airlines, Freight Forwarders and IT Solution Providers

Moderators: **Christian Piaget**, Head Cargo Border Management, IATA & **Tahir Syed**, Manager Cargo Solutions, IATA

Panelists:

Rani Joseph George, Chair of the IATA Cargo Messaging Working Group and Senior Manager Customs & Authorities, Lufthansa

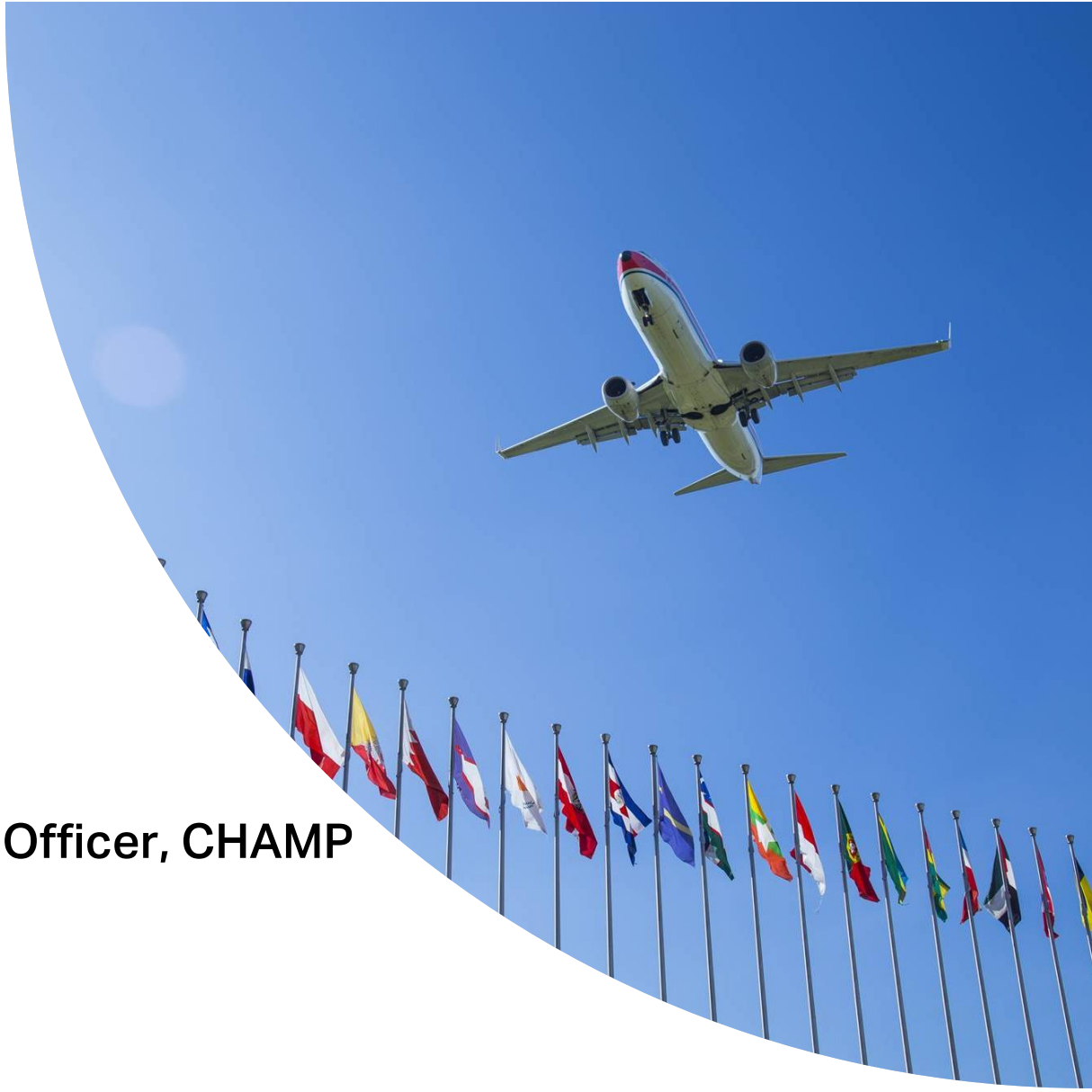
Jerome Lorig, Product Manager, Customs and Security, CHAMP Cargosystems

Andreas Wilhelm, Global Security Manager, Kuehne+Nagel

2023 PLACI Compliance Requirements Session

Lunch Break (12:00 – 13:30)

2023 PLACI Compliance Requirements Session



PLACI Solutions

Luis Leon Hinojosa, Senior Business Support Officer, CHAMP Cargosystems

2023 PLACI Compliance Requirements Session

Geneva, Switzerland

02 November 2022

Luis Leon

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Introduction

Luis Leon

Senior Business Support Officer

Jerome Lorig

Product Manager Customs & Security

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Agenda

Introduction

What are the ICS2 releases?

Deployment Window

PICS

The Importance of IT service providers

Recap

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What are the ICS2 releases?

TAXUD
Taxation and Customs Union

PLACI
Pre Load Advance Cargo Information

Traxon Global Customs

Traxon Global Security

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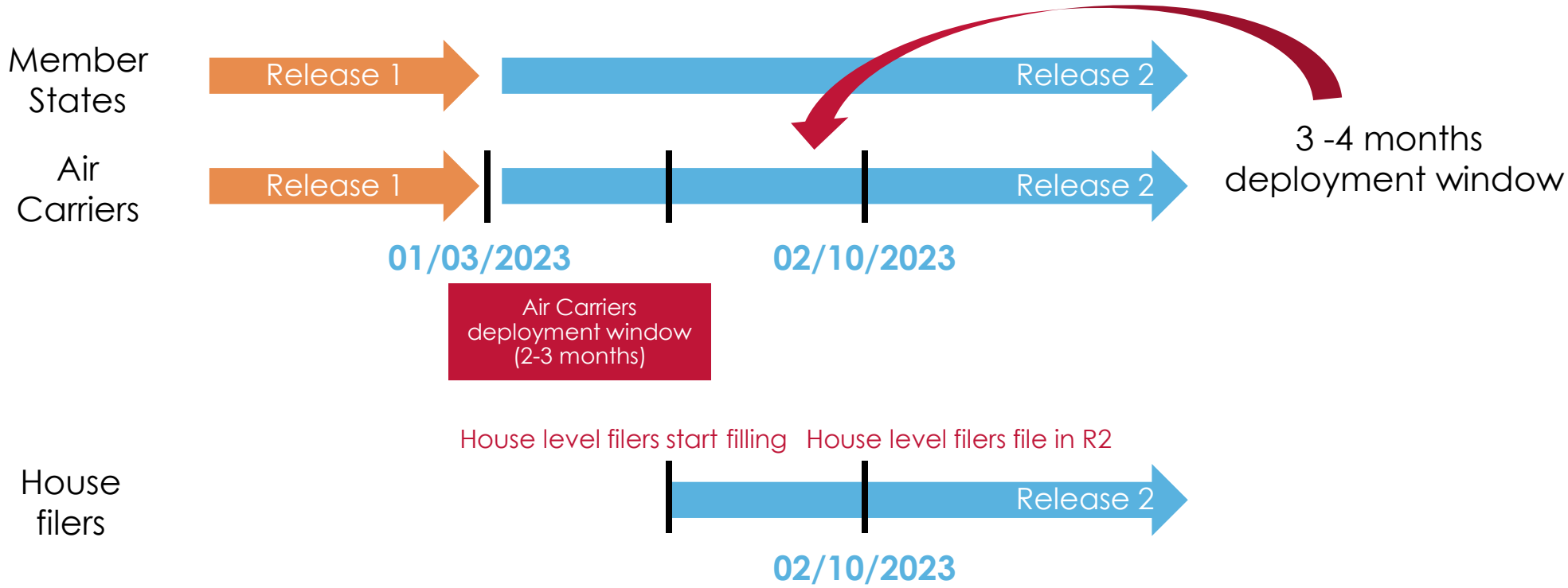
Deployment Window

1st of March will not be the definitive GO LIVE date / no Big Bang
1st of March is the date when the Member States have to finally announce readiness.



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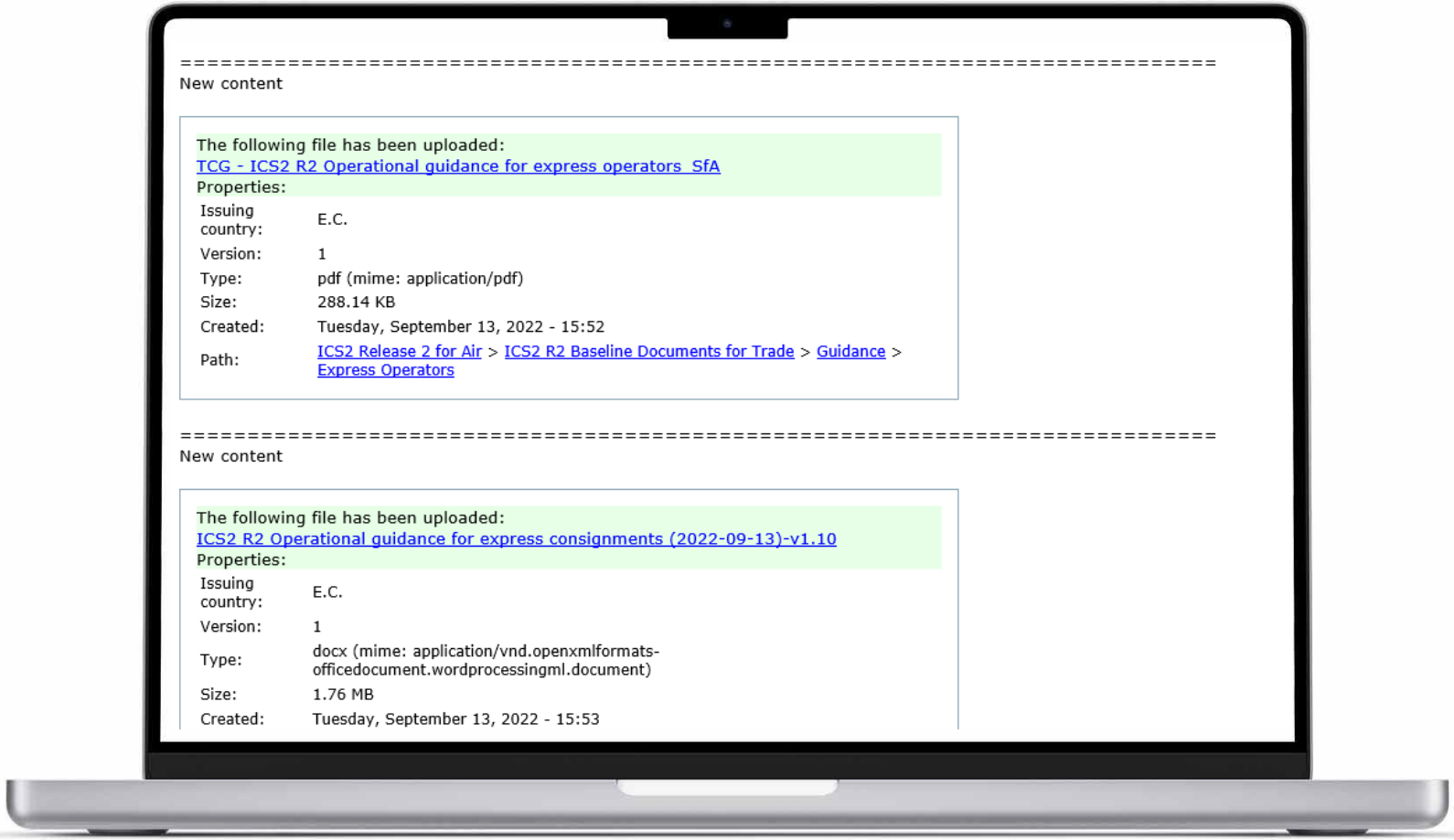
Program Information and Collaboration Space (PICS)



Register on PICS

- Get the latest updates
- Contribute to the Forum discussions (Q&A)
- Receive updates
- Access under https://webgate.ec.europa.eu/pics/

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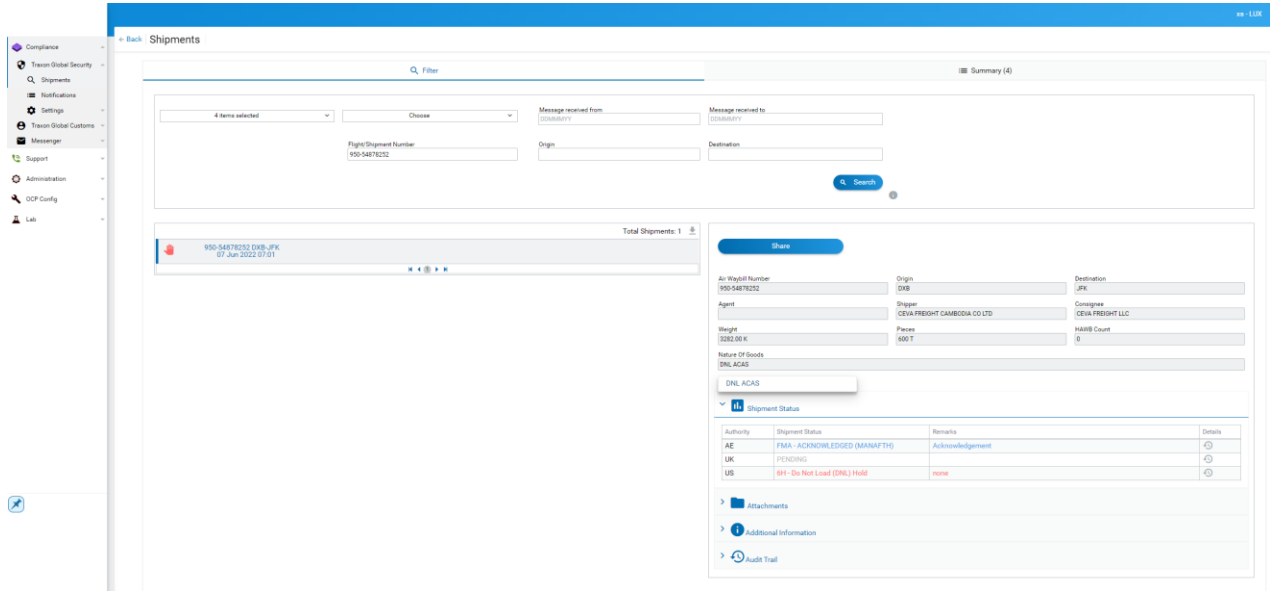
PLACI

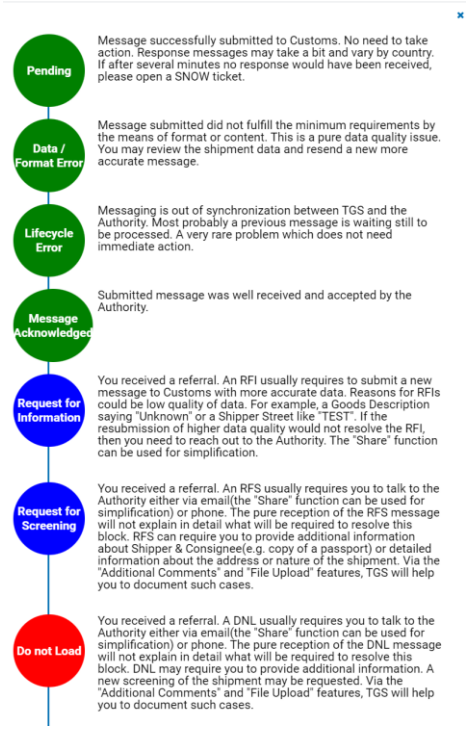
Prepare yourselves and your trade partners for an operational pre-load filing process

Be prepared for referrals (RFI, RFS, DNL)

TRAXON Global Security (TGS) will cover the PLACI requirements for the EU and not only supports the pure messaging but also the referral management with several features.

All required will be FWB, FHL & FBL messages.





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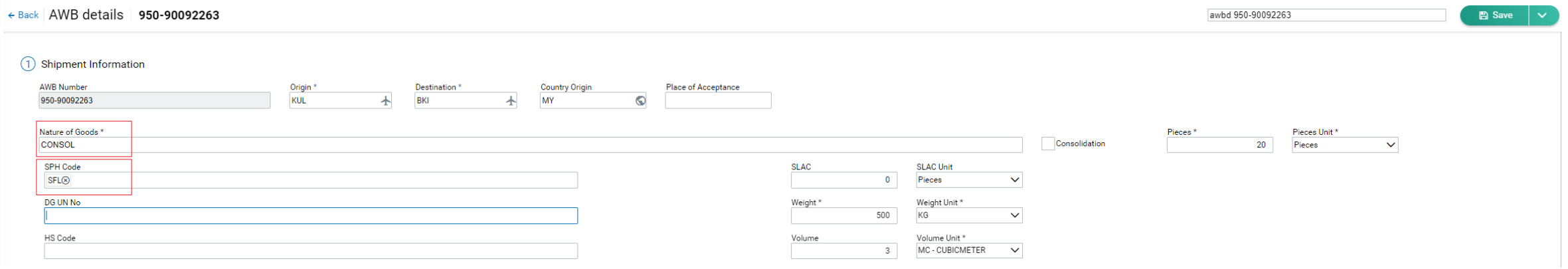
Forwarder Self Filing

With ICS2 Forwarders will be allowed to report HAWB by themselves

- Operational/contractual agreements to be done between the Airline and the Forwarder
- TGC will have business logic embedded as well as consider SPH code “SFL” to decide if HAWBs should be reported or not and send the respective FXX message to the STI.



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HCC & Goods Descriptions

HCC to be reported

Challenge:

6 digit HCC codes must be sent. Airlines need to request this piece of info from the Forwarders

HCC Code must not be provided on HAWB level but on HAWB Goods item level:

- HAWB = Textiles
- Commodity1: Socks – 6 digit code required
- Commodity2: Shirts – 6 digit code required
- Commodity3: Pullover – 6 digit code required

Furthermore, the weight is a mandatory information for each commodity. Prorate might be used

Options:

Prepare interfaces for manual input

Consume CXML instead of CIMP

Reach out to find agreements with your clients what your interface should or shouldn't do if data is not provided (set default values / drill down codes from higher level)

Use tools (AI) to get the HCC code based on the Goods Description (currently proof of concept)

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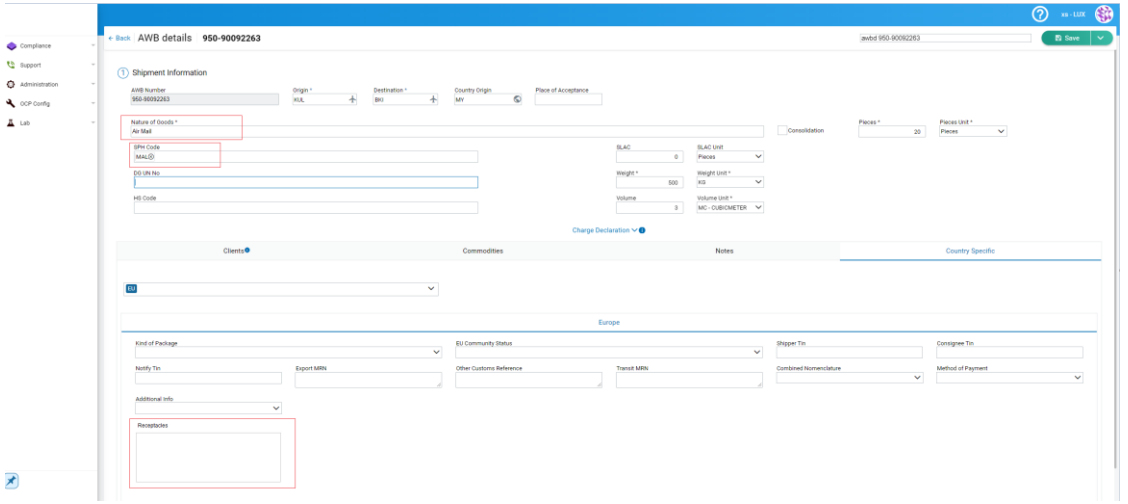
Air Mail

Starting next year March Air Mail (PAWB) numbers and their associated Receptacle numbers need to be reported to ICS2 (F42 message)

CHAMP will support:

- CIMP (Receptacle OCI lines in FHLs)
- CXML(Receptacle as XFZB HAWB Number or in OCI line)
- Manual data capturing
- MAWB must have MAL SPH code to be identified



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The Importance of IT service providers

CHAMP has long standing relationship with Customs authorities worldwide

providing you a and secure channel to communicate with the authorities and manage referrals

- Aligning with IATA standards CHAMP will support old and new standards (CIMP, C-XML) wherever required to comply with new various PLACI/ACI processes as seen in the IATA manuals
- Providing you support and assistance with training included we are here to help

- Our platform is ready to go and awaiting the testing window from the TAXUD

One single interface with 60+ customs

Traxon Global Security

Ensuring global security compliance in an evolving regulatory world

Traxon Global Security (TGS) is CHAMP's brand new platform that designed to help carriers and forwarders manage their Pre-Loading Advance Cargo Information (PLACI) filing to comply with the current regulations in United States – and future regulations in United Kingdom, European Union, and Canada. The solution operates in a similar way to CHAMP's highly successful and comprehensive Traxon Global Customs (TGC) that now connects to more than 60 countries.

Traxon Global Customs

A World-Class Customs Solution for a Growing Community of Cargo Customers

CHAMP Cargosystems' Traxon Global Customs (TGC) offers the air cargo industry an all-in-one solution for Advance Electronic Customs Information (AEI) mandated by a growing number of regulatory authorities worldwide. The solution facilitates fast and efficient business-to-business electronic data exchange among supply chain members and customs offices, raising levels of safety and security around the globe necessary for effective Border Management.

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One single interface with 60+ customs

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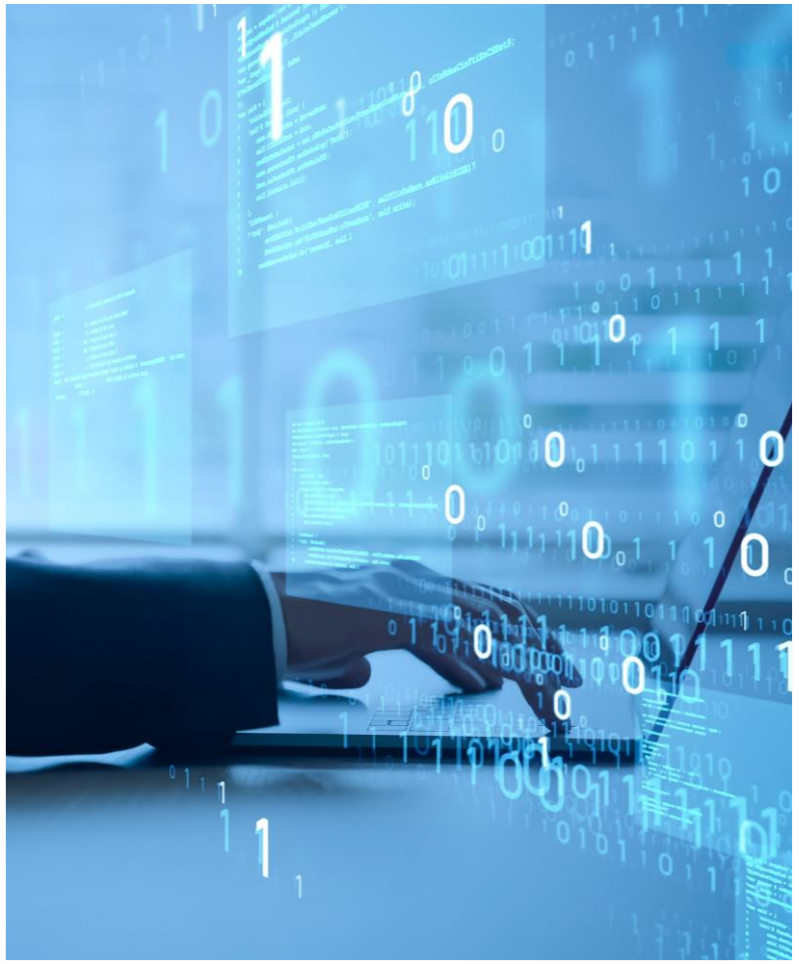
Recap

Deployment Window – No big bang

TGS will cover the PLACI requirements

The Importance of IT service providers



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Thank you for your attention

Please meet us at the exhibition table outside this room

For additional information please contact: marketing@champ.aero
or
Visit the CHAMP website: www.champ.aero

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2023 PLACI Compliance Requirements Session

Way forward & closing

Christian Piaget, Head Cargo Border Management, IATA

Tahir Syed, Manager Cargo Solutions, IATA

Summary of Day 2 (2nd November 2022)

8 November 2022

Summary (1 of 3)

1.Recap of Day 1

2.Transpont Canada – PACT Program (**Brook Carrothers**)

- Canada is part of the PLACI initiative ever since WCO ICAO guidance was issued
- CA-PACT is at pilot stage
- Transport Canada is different than the Canada Customs (CBSA) therefore managing Pre-Load only
- **Legislation:** draft going through final approvals, review period of 75 days will follow pre-publication targeting December 2022 at www.gazette.gc.ca
- **Pilot**: MAIL filing is exempted, C-IMP and Cargo-XML supported, Artificial Intelligence included, Codes identical to US-ACAS, RFI and RFS are generated. 2 ways message is the focus. Plan to create working group with Cargo Only carriers soon as pilot has focused primarily on passenger.
- **Documentation:** Central Repository Secure Supply Chain Information System (SSCIMS) Contact Us: https://tc.canada.ca/en/programs/pre-load-air-cargo-targeting-pact
- **Timelines:** Q3, 2023
- **Go Live Approach**: Select and Test Approach starting Spring 2023

3.UAE NAIC Program (Humaid Almazrouei, Ismail Mohamed Almazmi, Saeed Alkhalifi)

- Cargo Advance Information Program implemented now focus is PLACI.
- **Approach:** Direct MQ Connectivity, SITA Type B, 3rd party vendors, NAIC Portal)
- **Pilot completion criteria**: 1) Technical Connectivity, Business scenarios testing, Measure Operation Impact (Referrals)
- **Milestones**: Distribution Phase-1 completed, Pilot Jan 2023, Cutover Nov 2023
- **Challenges:**
  - Data Quality (Missing, duplicate, invalid, message version variations)
  - Business Challenges result Low compliance
  - Parallel PLACI programs

Summary (2 of 3)

4.UK PREDICT Program (Matthew Weston, Nick Scrivenger)

- Committed to SAFE
- Slow progress due political changes but development continues
- EU formats being adopted
- Mandate: End of next year

5. Q&A Session UAE, UK and Transport Canada

- MAIL filing exempted for the time being – UAE, UK and CA
- Self filing to be considered in future – UAE, UK and CA
- E-Manifest integration with PLACI for AC in future
- UK yet to publish technical documents
- UK and CA -> collaboration for PACT and PreDICT
- No Trusted Partnership program consideration between the regulators at the moment
- Value of a central platform global providing visibility on Risk Assessment/Referral was discussed

6. Industry Readiness Survey results (Christian Piaget)

- 80 respondents (Airlines, FF, Ground Handlers, IT Companies)
- 79% believes non-compliance will result in financial penalties, and cargo stopped
- Flaws in the current systems are related to: House Waybill Filing, Interline shipments
- 95% ground handlers serve multiple airlines
- 50% of GHA don’t have a single system
- Only 35% are ready for PLACI

Summary (3 of 3)

7. Panel Discussion (Andreas Wilhelm, Rani George, Jerome Lorig)
    - Panelist concluded:
        - ICS2 impacts going to be different for EU vs non-EU carriers
        - EU-ICS2 implies data filing from last port of departure but for carriers, it is at the port of origin(Acceptance)
        - Lack of visibility on risk assessment/referrals
        - Carriers needs agree referral processes with
            - Ground Handlers
            - Interline partners
        - Some carriers welcome self-filing while other needs house data
        - Global Forwarders are working closely with Carriers and Regulators however, small and medium size freight forwarders must be engaged.
        - FIATA engaging FF community
        - EU-ICS2 Fact sheet to contain additional information on the business partner collaboration (Interline, FF)
        - Postal Filing require strong collaboration between Post and carriers. AR flag need to be improved.
        - XCSN is going to play a key role along with the SOP
        - Availability of Standard PLACI Checklist for the airlines/ground handlers
        - Postal Mail Transit shipments require UPU regulation changes-> Carriers need clear position from EU/IATA
8. CHAMP Solution (Louis LEON HINOJOSA)
9. CHAMP Solution Demo
10. Next event end of May/beginning of June 2023

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IATA