Fourth joint IATA–UPU webinar

STAKEHOLDERS’ COMPLIANCE AND READINESS FOR MAIL TRANSPORT UNDER PLACI REGIMES

30 May 2023, 13:00 – 15:00 CEST
Online on Zoom | In English only
Welcome

- 4th joint IATA-UPU webinar
- Competition law Guidelines
- Focus of the workshop on the ICS2 implementation status by the European Commission, Member States, carriers, designated operators (EU and non-EU), IT providers (IPC and PTC), IATA and UPU
- Webinar is a forum for sharing information – defining processes, protocols and business rules is discussed in other forums
- Agenda
- International Bureau UPU short status
**AR flag in the CARDIT message**

New CARDIT EAD compliance report details:
- Based only on consignments to the EU from outside the EU (EAD is mandatory for these consignments)
- Checks performed:
  - Presence of AR flag
  - Presence of origin and destination office codes (business rule, important for airlines to obtain addresses)
  - EAD line okay (ar-flag value is “1”, ar-border-agency-authority is “CUS” or other allowed values)
  - ar-reference-ID in valid format: IMP-xx-99999999-xxx...

**CUS Customs**

**AVS Aviation security**

**BOC Border control**

**QRT Quarantine**

**EXP Export**

**IMP Import**

**TRA Transit**

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3 The ar-flag indication within the CARDIT message serves as confirmation from the origin postal operator that all required electronic advance data (EAD) has been submitted to the applicable authority in line with all applicable regulations and that there was no known outstanding natural (i.e. NFI - request for information; RFS - request for scanning; DNL - do not load) at the time of transmission of the CARDIT message and handover to the carrier.
ICS2 R2 timelines

- **All EU Customs** should connect to ICS2 R2 on 1 March (but about half of **member states** are not yet ready and **have a deployment derogation until 30 June or later**).

- **Airlines** must start ICS2 R2 on 1 March and complete their deployment by 30 June. **However, all carriers have asked for a derogation until the end of June 2023.** At this stage, non-EU DOs need to be providing CARDIT messages to airlines for filing in ICS2.

- **From 2 October:** **All stakeholders** (Customs, airlines and European DOs) fully on board with ICS2 R2. Many airlines will be requesting the AR flag in the CARDIT message (UPU Convention Regulations article 08-002 § 6). As the AR flag implies that all ITMATT and PREDES messages have been sent and that the consignments have no open referrals, DOs need to start implementing ITMREF/REFRSP.
ICS2 readiness

IATA-UPU webinar
2023-05-30

Renata Pauliukaityte, European Commission
## Member State readiness with ICS2 R2

<table>
<thead>
<tr>
<th>MS in ICS2 R2</th>
<th>MS to deploy by 01/07/2023</th>
<th>MS that will deploy by 02/10/2023 or later</th>
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<tbody>
<tr>
<td>• Bulgaria</td>
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<td>• Northern Ireland</td>
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</table>
Member State readiness

- Information about the MS go-live planning is published and regularly updated on the ICS2 webpage.

- Go-live of the Member States after 1 July 2023 does not affect the deployment of air carriers within the transition period established for them (1 July 2023). Those Member States will have to ensure a proper level of security and safety risk analysis and controls is carried out, in accordance with the ICS2 Business Continuity Plan.

- Once the air carrier has connected to the system and fulfills its new ENS requirements under the UCC, it can stop filing into the ICS1.
Requirements for air carriers

• For the goods destined to or in transit via the EU:
  • File master postal ENS (F42) for goods in postal consignments which are destined to the EU
  • Ensure that in the case of the Do Not Load instruction was issued by the EU customs, goods are not loaded on an aircraft
  • Make a commercial decision in the case the goods may be still subject to an open referral (RfI, RfS) and transport the goods to the EU in non-compliance with the EU customs (UCC and its Implementing Regulation (EU) 2015/2447) and non-compliance with the EU Civil Aviation Security legislation (Implementing Regulation (EU) 2021/255 and provisions in its corresponding Annex)
Requirements for air carriers

- For the goods to be transhipped via the EU:
  - File F42 for goods in postal consignments which are going to be transported and transshipped through the EU, AND
  - Either file F43 and F44 themselves*, or arrange with the origin postal operator that they file (in the latter case the origin postal operator will have to have an EORI number)
  - Ensure that in the case of the Do Not Load instruction was issued by the EU customs, goods are not loaded on an aircraft
  - Make a commercial decision in the case the goods may be still subject to an open referral (Rfi, RfS) and transport the goods in non-compliance with the EU customs (UCC and its Implementing Regulation (EU) 2015/2447) and non-compliance with the EU Civil Aviation Security legislation (Implementing Regulation (EU) 2021/255 and provisions in its corresponding Annex).

* air carrier may be granted a deployment, until 2 October 2023, for the filing of F43 and F44 submission, by the competent MS upon receipt of such request
Requirements for air carriers

• In the case air carrier is not in a position to obtain the necessary data to comply with the transshipment obligations, it is its commercial decision to either:

  • transport the goods, and take responsibility of non-compliance with the EU customs legislation governing the obligation with respect to the ENS

  • to arrange a transport of goods that will not involve passing through the EU customs territory

  • arrange with the origin postal operator to send the postal consignments in transit (opposed to transshipment) i.e. implying that origin post establishes with transit post in the EU (CH/NO) the necessary arrangement
Requirements for postal operators

- For the goods destined to or in transit via the EU, the EU postal operators will have to continue to:
  - fulfill R1 obligations until the end of the granted deployment window*,
  - fulfill R2 obligations (e.g. HS6 digit, type of person, Consignee EORI, and ENS for items in transit) after their connection to ICS2 R2 (from 2 October 2023).

*EC recommended to the MS to grant deployment window to all of the EU postal operators until 2 October 2023.
Requirements for postal operators

• For the goods to be transhipped via the EU, the origin postal operators:
  
  • file F43 and F44 ENS filings* (the origin postal operator will have to have an EORI number), or
  
  • provide ITMATT data to the air carrier for them to file and comply with the EU customs requirements (UCC and its Implementing Regulation (EU) 2015/2447)
  
  • alternatively, send the postal consignments in transit (opposed to transshipment) i.e. implying that origin post establishes with transit post in the EU (CH/NO) the necessary arrangement

* Postal operator may be granted a deployment, until 2 October 2023, for the filing of F43 and F44 submission, by the competent MS upon receipt of such request
Thank you

ICS2 page on Europa website:
Timeline of project history to achieve ICS2 readiness (Airmail)

Due to many time constraints and interdependencies in large companies

- **2018**
  - Evaluate future RQs:
    - Upgrade existing IT?
    - Change to Mail module of CHS provider?

- **2019**
  - RFP: Evaluate providers for airmail IT

- **2020**
  - Determine scope of Airmail IT project: ICS2 and new mail IT as separate projects
  - Negotiations and scoping with providers

- **2021**
  - Start of project “Airmail IT – new fulfillment”

- **AUG21**
  - New IT rolled out; 100+ scanner stations

- **Today**
  - ICS2/R2 go-live for carriers

- **01 JUL 23**
  - How to reach us?

ICS2@DLH.DE
Considerations taken into account cover many aspects
One final solutions to cover all needs to be found

Customs/External

Postal Airway Bill
Postal Operator or Airline
Late Referral
Communication & Risk
Assessment Complete
How will it be provided
Readiness of Postal Operator
ITMATT/Cardit
Readiness of EU country customs
Provision of A/C
Converting Cardit Data
Cargo Messsaging

Internal

Postal Airway Bill
AWB Stock Management; avoid clashes with other processes such as US; handle consignments without PAWB
Scanning at every Station worldwide necessary
LCAG Equipment or GHA Equipment
New Process requirements
Possible Contract/GHA changes
Transit at EU Hub’s
Risk for main business/volumes
Business/Revenue Loss
Postal Operator avoids EU
Transfer from/to Interline at Non-EU Stations
ICS 2 ? / Cardit ? / IT ?
Exceptions e.g. Letter/Military
Outcomes lead to processual and technical changes

New Airmail Handling to be implemented globally

**Process**

**Acceptance check**
Scanning is a must to check for AR flag of postal consignment

**Referral Handling**
Set-up new central team as 24/7 POC

**Relevance of Airmail and Cargo**
Separate handling streams that both need to be considered

**TSD for Airmail**
Entirely new process now required

**Technical**

- Bring airmail and cargo messaging together for reporting purposes (affected: handling system, 3rd party DE customs, 3rd party EU customs)
- Entirely new message stream and related mapping of same in clearing center of DE customs provider for TSD
- Implement new stream of messaging and mapping for postal pre-arrival message F42 at EU customs provider
- Parameters to differentiate when to include/exclude mail
- IATA PAWB mapping (1CARDIT = 1 PAWB, 1 receptacle = 1 HAWB)
- New service for PAWB stock
- New parameters for system checks of CARDIT version plus AR flag; consider exceptions
Full ICS 2 compliance requires two well aligned projects

Distinction and dependencies between ICS 2 & Airmail IT projects

- Coordination with relevant customs authorities
- Design and implement new and adapted processes for cargo
- Specify and implement necessary changes to ensure compliant ICS 2 reporting for Cargo and Airmail

* Shared Trader Interface

ICS 2

Old

New

Cargo

System

System

Mai

Mail

System

Mai

Mail

System

1) Third country to EU

2) German customs

Integrated Process Design

- Migrate old application to new Airmail module
- Rollout new Airmail module worldwide
- Design and implement new and adapted processes for Airmail
- Specify and implement necessary changes to provide ICS 2 relevant Airmail data

STI

Cargo

* Shared Trader Interface

ICS 2

Old

New

Cargo

System

System

Mai

Mail

System

Mai

Mail

System

1) Third country to EU

2) German customs

Integrated Process Design

- Migrate old application to new Airmail module
- Rollout new Airmail module worldwide
- Design and implement new and adapted processes for Airmail
- Specify and implement necessary changes to provide ICS 2 relevant Airmail data

* Shared Trader Interface
1 Month before go-live relevant milestones accomplished

From implementing new system internally to activity in industry groups

- Pro-Active Communication and Support for Customers (Postal Operators) regarding Cardit Performance and Compliance as well regarding AR-flag Performance and Compliance
- Pro-Active Information regarding Late (revised) Referral for ICS 2 Release 1 & 2
- Lobby for understanding that carriers need an Assessment Complete
- Cooperation with UPU & IPC regarding Cardit / AR-flag / A/C
- Specification, build, testing of new Mail IT completed
- Roll-out of Scanning at 100 Stations worldwide
- Acceptance process changed (validation of EAD at acceptance)
- PAWB Process incl. Airmail to Cargo messaging
- Separation of EDI Mailbox per Airline
Even today some uncertainties remain

From implementing new system internally to activity in industry groups

- **Late (revised) Referral** - Frequency & Communication / Risk as Carrier
- **Assessment Complete (AR-flag)** – Currently only means „reporting done and no open referral” → Risk on Carrier side
- **Readiness of Postal Operator** – CARDIT availability and quality
- **Response Times of EU Country Customs** - Provision of A/C
- **Transit at EU Hubs** – Potential risk for main business/volumes; pending solution and clarity on authority’s stance
- **Transfer at Non-EU Stations** – ICS2 ? / Cardit ? / IT ?
- **Release 2 Exceptions** Handling of Letter, Military, etc as no explicit ok from customs, rather not reported
Appeal to Postal Authorities as valued airline customers
Joint approach needed to ensure compliance and keep global postal flows moving

- Join UPU CARDIT initiative
- Be ready with IT and process
  - CARDIT version 2.1 required
  - With all data required to map a PAWB
  - With AR flag

- ICS2 Airmail reporting is a regulatory requirement
- Not being able to fulfill it means that carriers will not accept your consignment from 01JUL2023
Lufthansa Cargo AG
Rani Joseph George
Senior Manager Customs & Authorities
ics2@dlh.de
EU ICS2 from the perspective of a non-EU Post By Egypt

The fourth IATA–UPU webinar - electronic advance data

30th of May 2023
EU ICS2 from the perspective of a non-EU Post By Egypt,

Requirements for a sending Post

- Timing rules
- Balanced UPU Regulations
- Complete Tested protocols
- Developing alert system to DOs and Carriers
- Application of ICAO–WCO PLACI Risk Management Principles
- Fine-tuning between UPU & EU Standards

Enablement of Origin DOs to fulfil ICS2 Requirements
EU ICS2 from the perspective of a non-EU Post By Egypt ,
Requirements for a sending Post

• Timing rules

  • Timing rules in cases of not receiving ASC per case, shall be identified:

  • No received referral: How long Origin DOs shall wait before assuming there are no referrals to be sent and processing the item through the standard dispatching procedures?

  • For RFI and RFS, after sending referral response to Destination, How long Origin DOs shall wait to receive ASC, and if there is No ASC received, How to ACT?
EU ICS2 from the perspective of a non-EU Post By Egypt , Requirements for a sending Post

• Application of ICAO–WCO PLACI Risk Management Principles

  • Pre-Loading Advance Cargo Information measures are intended primarily to supplement the traditional methods of security screening used at origin countries.

  • Except in the case of a “do not load” message being issued, mail flow shall keep moving through the supply chain during the PLACI process.

  • The issuances of RFS shall not be too frequently and for minor issues such as (incorrect postcode, or invalid email „,etc.) – consideration for differences in culture and technological capabilities shall be given.

  • The screening in OEs take place as per ICAO Annex 17 regulations and/or applicable national cargo security Programme measures, and it is made by Border Security at Egypt Post OE by screening Equipment's approved by them, till now, it is not clear how the additional screening will be done, and by who?

  • Late arriving RFI or RFS should not trigger the emergency responses or protocols that would take place for a late arriving DNL. As late referral means that mail is accepted by Airlines, after conducting several screening measures (Dual view X Ray, ETD, Dogs Check) by Border Security at office of exchange, at ground handling, why additional screening shall be conducted again?
EU ICS2 from the perspective of a non-EU Post By Egypt , Requirements for a sending Post

- Fine-tuning between UPU and EU standards, and regulations
  - As per UPU regulations data – whether mandatory or optional - are provided, but not amended. The responsibility of data accuracy is on the sender and not the Post. As per commission regulation EC data are amended.

<table>
<thead>
<tr>
<th>UPU 214, RFI data elements</th>
<th>EC 752, Additional information code (subset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A10 sender name</td>
<td>A10 Amend Consignor name</td>
</tr>
<tr>
<td>A20 sender postal address</td>
<td>A20 Amend Consignor address</td>
</tr>
<tr>
<td>A21 sender postal address street or premises</td>
<td></td>
</tr>
<tr>
<td>A22 sender postal address locality</td>
<td></td>
</tr>
<tr>
<td>A23 sender postal address country code</td>
<td></td>
</tr>
<tr>
<td>A24 sender postal address postcode</td>
<td></td>
</tr>
<tr>
<td>A25 sender postal address locality region (country subdivision, state, province)</td>
<td></td>
</tr>
<tr>
<td>A26 sender contact email</td>
<td>B10 Provide phone number and e-mail address(es) of Consignor</td>
</tr>
<tr>
<td>A27 sender contact telephone</td>
<td>B10 Provide phone number and e-mail address(es) of Consignor</td>
</tr>
<tr>
<td>B30 addressee name</td>
<td>A30 Amend Consignee name</td>
</tr>
<tr>
<td>B40 addressee address</td>
<td>A40 Amend Consignee address</td>
</tr>
<tr>
<td>B41 addressee postal address street or premises</td>
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<td>B42 addressee postal address locality</td>
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<td>B43 addressee postal address country code</td>
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<td>B44 addressee postal address postcode</td>
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<tr>
<td>B45 addressee postal address locality region (country subdivision, state, province)</td>
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<tr>
<td>B46 addressee contact email</td>
<td>B20 Provide phone number and e-mail address(es) of Consignee</td>
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<tr>
<td>B47 addressee contact telephone</td>
<td>B20 Provide phone number and e-mail address(es) of Consignee</td>
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<tr>
<td>C50 detailed content description</td>
<td>A60 Amend description of goods</td>
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<tr>
<td>C70 number of items (one by default)</td>
<td>A50 Amend number of packages</td>
</tr>
<tr>
<td>D60 gross weight</td>
<td>A70 Amend gross mass</td>
</tr>
<tr>
<td>E80 unique item identifier</td>
<td>N/A</td>
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</table>

The EC and the UPU are not aligned in referral codes.
EU ICS2 from the perspective of a non-EU Post By Egypt , Requirements for a sending Post

• Developing alert system to DOs and Carriers
  • Egypt Post has implemented validation rules in our operation system (In-house) to prevent the movement of an item which receives a referral to next step of operations (EMB, EMC, PREDES, CARDIT) once item is dispatched, an alert email is triggered for certain contact list, till now we could not test the late referral scenario to see if it works and how the stakeholders (Egypt post team – Carrier team) will act

• Complete Tested protocols that can be implemented by all stakeholders in all member countries.

• Balanced UPU Regulations
  • Commitments of Destination countries to respond within certain times to origin countries referral response.
  • To define the scope of referrals that will stop the movement of the mail.
  • Freedom of Transit and single postal territory shall be maintained to maintain the USO
EU ICS2 from the perspective of a non-EU Post By Egypt ,
Expectations regarding stakeholders to ensure success

• Joint and gradual implementation with considerations of the capacity of all the member countries.

• It is well understood that data analytics combined with the traditional methods of security screening enhance security intelligence, this shall be done without impacting mail flow negatively. X rays, ETD, dogs checks are the tools that discover the real threats of explosives, drugs, and not the data alone. Data are used to Combat Crimes, and arrest criminals. Once the physical check discovers the prohibited items. Referrals shall be limited for suspected persons and suspected content.

• Continue piloting GPM Flows 3-4, 4+, 4++ (referrals and responses) with Union member countries, Customs, DOs to reach Complete and well tested Protocols that can be implemented by all stakeholders in all member countries.
Thank you
IATA–UPU webinar

EU ICS2 from the perspective of an EU Post

Correos Spain
30 May 2023

Cristina Cuerda Albaladejo
EAD Global Postal Model vs ICS2 PLACI Regimes

Full Process?

PLACI Regimes: 29 countries

Austria  Bulgaria  Croatia  Cyprus  Czechia  Denmark  Belgium  Estonia  Finland  France  Germany  Greece  Hungary  Ireland  Italy  Latvia  Lithuania  Luxembourg  Malta  Netherlands  Norway  Poland  Portugal  Romania  Slovakia  Slovenia  Spain  Sweden  Switzerland

Non EU Origin Post

1 – ITMATT

4+ ITMREF1

4++ REFRESP

Non EU Origin Post

5 – PREDES

EU/ICS2 Destination country

Customs

EU Destination

Post

Air Carrier

7 – CARDIT incl. AR flag

8 – F42 message (CARDIT based)

Air Carrier

Full Process?
**ICS2 R2 - Timeline**

**2021**
- **January 1st**: UPU – ITMATT
  - Obligation to capture and exchange EAD for all goods
- **March 15th**: ICS2 Release 1
  - Electronic Security pre-loading Declaration (7 +1) based on the ITMATT received from Origin Post

**2022**
- **July 1st**: VAT/LVC
  - Abolition 22 EUR import VAT exemption threshold.
  - Electronic Customs Declaration (more than 7+1)
  - Collection of VAT for Goods ≤ 150€: IOSS (Marketplaces... ) Special Arrangement (EU Post)

**2023**
- **January 1st**: UPU – AR flag in CARDIT mandatory for PLACI destinations
- **March 1st**: Deployment window for Airlines
- **July 1st**: Deployment window for EU/PLACI
- **October 1st**: Airlines ENS/F42 based on CARDIT (AR Flag) + PN

**EU/PLACI Post has to provide to ICS2:**
- «new» F43 based on the «new» ITMATT provided by non-EU Post including:
  - **HS-6 code** for B2B, B2C
  - **Type of person** (B2B, B2C, C2C)
  - **EORI** consignee
- F44 (based on PREDE S)
- Same info is required for EU/PLACI destinations in the transit flow: Non EU – EU - Non-EU
Pre-requisites for non-EU Posts sending goods to PLACI Destinations

Data Sharing Agreement (GDPR) between Origin and Destination Post. Transit Post not included.

S10 Barcode ID for all items containing goods conforming to UPU technical standard.

Data Capture tools with new functionalities/latest versions (CDS, IPS) to ensure compliance with ICS2.

Good Data Quality on the ITMATT message as a core driver of the electronic flows of GPM.

Post-to-Post ITMATT (item level) “as early as possible” including all data required for PLACI.

Post-to-Post PREDES (receptacle, bag level) and electronic “Nesting” item-receptacle.

Post-to-Airline CARDIT (consignment level) including the Applicable Regulations (AR) flag “EAD has been filed with the destination authorities and no open referral exists”.

As a sending EU PLACI Post we will not send ITMATT, PREDES and CARDIT with AR Flag to other EU PLACI destination
Same but Different

EDI MESSAGES

REGULATIONS

IT PROVIDERS

EDT NETWORKS

DATA CAPTURE SYSTEMS

DISPATCH SYSTEMS

GXS

PostNet

PTC

CDS

IPS

Non EU Origin Post

ICS2/EU Destination Post

ICS2/EU Destination

Air Carrier

F42 message (CARDIT based)

F44 message (PREDES based)

ITMATT based)

Assessment complete / Referral notification

Air Carrier

29 EU Destination Customs

International Corporation

Ad hoc IT

European Commission

UNIVERSAL POSTAL UNION

IT PROVIDERS

EDT NETWORKS

DATA CAPTURE SYSTEMS

DISPATCH SYSTEMS

GXS

PostNet

PTC

CDS

IPS

Non EU Origin Post

ICS2/EU Destination Post

ICS2/EU Destination

Air Carrier

F42 message (CARDIT based)

F44 message (PREDES based)

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Air Carrier

29 EU Destination Customs

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UNIVERSAL POSTAL UNION

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DATA CAPTURE SYSTEMS

DISPATCH SYSTEMS

GXS

PostNet

PTC

CDS

IPS

Non EU Origin Post

ICS2/EU Destination Post

ICS2/EU Destination

Air Carrier

F42 message (CARDIT based)

F44 message (PREDES based)

Assessment complete / Referral notification

Air Carrier

29 EU Destination Customs

International Corporation

Ad hoc IT

European Commission

UNIVERSAL POSTAL UNION
Liability of the EU Post

ICS2

International Post Corporation

SECURITY DECLARATION ENS / F43

ICS2 CR

29 EU Destination Customs

A reference of the previous ENS should be provided in the Import Customs declaration

LIABILITY

CORREO S EU POST

CUSTOMS/TAX

National Import System

Spanish Customs

ICS2

Ad hoc IT Systems

Ad hoc IT Systems

CUSTOMS/TAX DECLARATION

Liability of the EU Post
## What will change with ICS2 Release 2?

<table>
<thead>
<tr>
<th>New requirements</th>
<th>EU Posts</th>
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</thead>
<tbody>
<tr>
<td>Air security and safety</td>
<td>Increase customs checks.</td>
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<tr>
<td>Pre-loading and pre-arrival</td>
<td>«bomb in the box» + additional Risk Analysis (e.g. P&amp;R).</td>
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<tr>
<td>EU Posts and carriers involved</td>
<td>EU Post will provide data at item level (F43) based on the ITMATT and at receptacle level (F44).</td>
</tr>
<tr>
<td></td>
<td>Carriers will provide data at consignment level (F42).</td>
</tr>
<tr>
<td>• 7+1 data for all goods</td>
<td>- «New» F43 based on the «new» ITMATT (including HS-6 for B2B, B2C) provided by non-EU Post.</td>
</tr>
<tr>
<td>• HS-6 code for B2B, B2C</td>
<td>- F44 (based on PREDES provided by non-EU Post)</td>
</tr>
<tr>
<td>• Type of person: B2B, B2C, C2C</td>
<td>• Difficulties to provide HS-6 code by non-EU Posts (not mandatory by UPU regulation until 2025)</td>
</tr>
<tr>
<td>• EORI consignee</td>
<td>• No technical solution ad-hoc is in place to identify the type of person nor indication in the ITMATT.</td>
</tr>
<tr>
<td>Import in EU</td>
<td>Non-EU → EU «New» F43 based on the «new» ITMATT (including HS-6 for B2B, B2C) provided by non-EU Post.</td>
</tr>
<tr>
<td></td>
<td>Non-EU → EU → EU «New» F43 based on a copy of the «new» ITMATT (including HS-6 for B2B, B2C) + PREDES provided by non-EU Post.</td>
</tr>
<tr>
<td>All open/close transits</td>
<td>Non-EU → EU → Non-EU «New» F43 based on a copy of the «new» ITMATT (including HS-6 for B2B, B2C) + PREDES provided by non-EU Post.</td>
</tr>
<tr>
<td></td>
<td>Non technical solution nor legal requirements in place.</td>
</tr>
<tr>
<td>Transhipment in EU</td>
<td>In Transhipment EU Post is not involved.</td>
</tr>
</tbody>
</table>
ICS2 R2 - Challenges for Correos / EU Post

### Non-alignment between EU and UPU regulations

- EU requirements for ICS2 R2 will be into force in 2023: HS-6 B2B, B2C; Type of person, transit, transhipment.
- UPU Referral standards currently are not mandatory (for non-EU) and HS-6 code will be into force in 2025.
- No legal requirements are in place to provide EAD for EU Transit countries. No-UE → UE → no-EU.
- “New” Data Sharing Agreement between No-EU and EU-transit-Post is required due to data

### Gaps between capabilities and ICS2 R2 requirements

- No UPU mechanisms are in place to penalize Origin Post for non-compliance/lack of EAD nor to refuse items.
- Referrals testing is ongoing, but we still need to solve some issues. ES (Correos, Customs) + BR+ PTC+ IPC.
- How to operationally cope with items arriving without ENS, open referrals…

### Connectivity issues among IT stakeholders

- IPC, as our IT provider for ICS2, is working on enforcing current challenges from R1 like timelines issues, no data available, and incomplete data (e.g., Postcode) will increase in R2 (e.g., missing HS from October).
- How to operationally cope with downtime, technical maintenance windows …
- No technical IT solutions are in place to support Posts to meet new requirements: Transit/Transhipment.
- Message Standard changes and HS code solutions are required for ICS2 R2.
Impacts for EU POST

From the EU Legal point of view, EU Post has the obligation to meet with EU Regulations and to provide new requirements for ICS2 R2 from 2023 October 2nd.

- Investment in IT solutions to meet ICS2 R2 requirements
- Loose of volumes/business
- Non-EU post could decide to avoid the EU as transit countries
- Sanctions for EU Post set at national level
- Data capture upon arrival, handling and treatment manually
- Bottlenecks in operations, delays in delivery…
- Bad customer experience

Extra costs for EU Post

*A realistic approach and gradual implementation are required.*

*EU Post is fully dependent on Non-EU Post’s readiness to meet ICS2 R2 requirements.*
Expectations

SENDERS (CUSTOMER)

- As responsible for the Customs Declarations, they should be well informed by the origin post about the requirements for goods to PLACI and the consequences of not providing good and accurate data.
- EU Destination Post has no contact with the sender in the origin country.

ORIGIN POSTAL OPERATOR

- Cooperation to improve data quality and quantity and new data requested for R2, if possible.
- Implement UPU Standards to be able to receive and act upon the Referrals.
- Checking the readiness of IT systems and UPU tools needed to meet ICS2 R2.

AIRLINES

- Airlines readiness to receive CARDIT.
- The Destination EU/PLACI Post has no relationship with Airlines. This is an origin post’s responsibility.
- Comply with security regulations and maintain high flexibility for common benefit.
## Expectations

### IT PROVIDERS

- Cooperation among IT providers to implement the new technical infrastructure for R2 (PTC, IPC, EC) and solutions to implement the new requirements.

### UPU AND EUROPEAN COMMISSION

- Solve the policy/regulations issues to find a common understanding.
- A realistic approach and gradual implementation are required.
- EU posts as UPS providers and facilitators of trade, AND business and consumers into the EU and globally will be impacted.

### NATIONAL CUSTOMS AUTHORITIES

- Consider flexibility and cooperation for common benefit.
- Coordination on Regulation, Operational and Technical aspects.
Muchas gracias!
Thank you!
CARISMA

How to support Carriers in deploying solutions
Solutions to support Air Carriers to be ready for ICS2 release 2 for Airmail

- CAVA – Validation for Acceptance
  - Origin Post declares to have complied with ICS2 regulatory requirement by including an “AR flag” (applicable regulation indicator) in CARDIT
  - IPC has developed a solution to validate if “AR flag” is provided in CARDIT
    - Mobile web app scanner
    - EAD Tool
    - API integration
  - IPC can support posts that want to validate if postal items or receptacles are compliant (API, EAD tool)
  - IPC can support posts and carriers if posts not yet ready to include AR flag
Solutions to support Air Carriers to be ready for ICS2 release 2 for Airmail

- **CAFE – Filing ENS (F42)**
  - Airlines complete load plan and create manifest – provide data to IPC – IPC creates F42 file and files if required
  - IPC provides solutions for airlines to provide required data set (via API or entry form in EAD tool)
  - On receipt API call or form completion by carrier, IPC converts data to ENS IE3F42 message
  - Based on agreement and by configuration IPC either returns data/F42 or does F42 filing for Air Carrier
• **CAVIAR – RESDIT provision based on API call**
  - Airlines that use CAVA or CAFÉ can opt for IPC to convert the API calls into RESDIT event messages that can be provided to the post on behalf of the Carrier in reply to CARDIT
  - If air carrier validates a set of receptacles for acceptance IPC can use the event (based on agreed rules) to generate RESDIT 74 or 5 (receipt or accept event)
  - If air carrier uses manifest data to confirm which receptacles are loaded on the flight IPC can use this API call to generate RESDIT 24 (uplift event)
CAVA solutions (‘AR’ flag check)

API integration
Carrier uses their scanners connected to carrier system (cargo/mail/handler) the API is integrated with the system and when receptacle is scanned API call is activated to IPC and AR status received

Mobile Web App
Carrier uses Web app with integrated API on Android scanning device (obtained by carrier), when receptacle ID is scanned API call is activated to IPC and AR status shows on display (green, red)

EAD tool website
Receptacle ID or consignment ID entered (which calls API) providing overview of receptacles with AR status

CAFÉ Solutions (F42 filing)

API integration
API for ENS filing integrated with carrier manifest system and on closure manifest the relevant data are send by API call to IPC and based on call IPC creates F42 file and if instructed files F42 for air carrier

EAD tool website
IPC uses CARDIT data and scans from validation process (if applied) to prefill F42 file, carrier selects consignment from selection screen which through API opens prefilled form that carrier validates or modifies (manual data entry) and triggers F42 filing

Mobile App
Same as above but info displayed on mobile/PDA screen
CAVA – API
API INTEGRATION, MOBILE WEB APP, EAD TOOL
Mock up
CAFE – API
API INTEGRATION, EAD TOOL

Mock up
https://www.figma.com/proto/tt9dqmkiD7Ma5YL0fjp05Q/IPC—ICS2-%2F-EAD?node-id=1157-20153&show,proto-sidebar=1&starting-point-node-id=1157%3A20153
CAVA – CARDIT NO AR FLAG

Mock up
IPC OFFERING TO ORIGIN POSTS

CARDIT AR Flag determination

CARDIT Aggregate Item Status determination if no AR flag in CARDIT

- IPC can determine for the Post (for sharing with Air Carrier) the Aggregate Item status for all items in receptacles in a CARDIT (if Posts are unable to Populate AR flag in CARDIT)

How?

- IPC item/summary API checks for each item for all the receptacles in the CARDIT message and returns
  - On CARDIT level (Yes/No) – All receptacles contain items with status “not applicable or ASC”
  - Receptacle level (Yes/No) – receptacle contains only items with status “not applicable or ASC” => true, false

This is available in the IPC EAD tool
- CARDIT/Receptacle level – CARRIER
- CARDIT/Receptacle/item level – Postal Operators
CARDIT Validation through Aggregate Item Status

Postal view EAD Tool at CARDIT level

AR Flag

(True) Green if CARDIT with AR Flag

(False) Red if CARDIT without AR Flag

Aggregate Item status

Green if ASC or not applicable is “true”

Red is if validation for ASC or not applicable is “false”

Grey if “AR Flag” is provided, aggregate item status
Validation is not applicable
CARDIT Validation through Aggregate Item Status

Use Case – Origin Post not capable to include AR flag in CARDIT

Origin Post authorizes IPC to provide Air Carrier access to Aggregate Item Status for Receptacles with AR flag for CARDIT “False”

AR Flag

(True) Green if CARDIT with AR Flag

(False) Red if CARDIT without AR Flag

Aggregate Item status

Green if ASC or not applicable is “true”

Red is if validation for ASC or not applicable is “false”
CARDIT VALIDATION RECEPACLES FOR AGGREGATE ITEM STATUS

Use Case – Origin Post not capable to include AR flag in CARDIT

Postal view on status receptacle level showing Aggregate Item Status with drill down to item level function

Aggregate Item Status receptacles

Green if ASC or exempt or “ITMATT sent no known unresolved referral”

Red if no ITMATT or unresolved referral outstanding
CARDIT VALIDATION ON ICS2 STATUS

Use Case – Origin Post not capable to include AR flag in CARDIT

Postal view on Aggregate Item Status drill down

Break down of Aggregate Item Status

- Green if ASC or not applicable
- Red if no ITMATT, filing failed / unresolved referral outstanding
CAFE – EAD TOOL

Data entry options PAWB range management and Data Push function
IE42 FILE GENERATION

• Option to retrieve data from CARDIT and complete or modify data pre-populated based on Consignment Selection

• Option to select empty data entry screen and provide all data
• Option to enter a PAWB number

• Option to have PAWB number pre-filled from PAWB number range management function
SENDING OF IEF42

- Option to trigger F42 filing by IPC to EC ICS2 STI using EAD tool
- Option to trigger F42 file generation with F42 file pushed to Carrier / Carrier solution provider system via Webhook
STATUS

Timeline
CARISMA 2023
Timing and Milestones

ICS2 R2 - CARISMA - API Specs

ICS2 R2 - CARISMA (CAVA&CAFÉ) - Analysis

ICS2 R2 - CARISMA - CAVA API Development

ICS2 R2 - CARISMA - CAFÉ F42 Filing Development

DEVELOPMENT CARISMA - CAVIAR

UAT - CAVIAR

UAT

DEADLINE

Today

Demo CAVA / CAFÉ API solutions

AS4 Connection - Development

AS4 Connection - Conformance Testing

AS4 Connection - Switch over
• Specification APIs available for testing and preparation of any possible foreseen integration
  => IT expert airline can contact IPC for further clarification and info
• Airlines interested to use EAD Tool or Mobile scanner web application to contact IPC
  => Testing and Training to be scheduled with airlines from mid May
• IPC has completed technical set up for end-to-end conformance testing
  => end-to-end testing by interested airlines scheduled first half June
• IPC schedules to deploy end of June 2023
  => airlines that have scheduled deployment to coordinate start date with IPC
UPU technical solutions for EAD Compliance and ICS2 Release 2
Agenda

- Global Postal Model and UPU technical solutions
- Application Regulations information in CARDIT
- EAD Check API for posts and carriers
- POST*Net
- ICS2 converter for carriers
UPU provides **technical solutions** for designated operators and carriers to comply with the **EAD requirements** and for each flow of the **global postal model**.
IPS allows designated operator to send Applicable Regulations (AR) information in CARDIT, including the AR-Flag.

The Postal Technology Centre provides guidelines, technical information and script to enable designated operators to configure IPS.
A mail item identifier (S10) or a receptacle identifier (S9) is submitted to CDS or QCS Big Data, then the EAD Check API returns an alert for each item that:

- does not have an **ITMATT**
- has a “do not load” (DNL)
- has a “request for screening” (RFS) or “request for information” (RFI), with no response
- does not have an “assessment complete” (ASC)
- No information found

EAD Check allows designated operators and carriers to check that the mail they are sending, receiving or processing in open transit, closed transit or transshipment complies with the EAD requirements.
EAD Check API

POSTS

EMB
Arrival at outward office of exchange

EMC
Departure from outward office of exchange

PRECON/CARDIT
Consignment closure

CARRIERS

Receptacle handling

EAD Check request (S10)

EAD Check request (S10)

EAD Check request (S9)

EAD Check request (S9)

EAD Check status (S10)

EAD Check status (S10)

EAD Check status (S10)

EAD Check status (S10)

EAD Check status alert on DNL

CDS or QCS Big Data

QCS Big Data
POST*Net and UPU solutions for carriers

POST*Net is the EDI postal network hosted and managed by the UPU Postal Technology Centre (PTC).

POST*Net is an affordable network available to all actors in the postal supply chain, designated operators and wider postal sector players such as customs, carriers, and ground handlers.

POST*Net services:
- POST*Net: exchanges of CARDIT and RESDIT with the designated operators
- CARDIT/RESDIT to Cargo-XML converter
- POST*Net dashboards
- EAD Check API
- ICS2 converter*
- Reports*
- Dashboards on ICS2 conversion and EAD Check*
- Notification system that alerts in case of late referral*
POST*Net and UPU solutions for carriers

- UPU Postal Notification System (PNS) multi-platform alerting system
- Origin DO
- Airline
- Transit DO
- Destination DO
- Referrals
- POST*Net
- Other networks
- UPU EDI
- ICS2 converter CARDIT/IE3F42

- Reports (ICS2 conversion)
- Dashboards
- EAD Check (pull)
- Notifications (push) for late referrals, items in transit
Thank you for taking the time to complete this survey.
Your feedback is valuable.

https://www.surveymonkey.com/r/IATA-UPU-4thwebinar