Expectations

1. Clear directions from EU on the open questions
   a. What is going to happen on 1st July
   b. How Postal Mail will be handled
      i. EU Destined Mail
      ii. EU Transit Mail
   c. Interline Carriers responsibility
   d. Consequence of non-compliance
   e. Cross-border delegation and uniform response
   f. Temporary Storage Processes
   g. Referrals in relation to ACCS3 Screening
2. Self-Filing by FF
3. Accountability/Responsibility of Ground Handler
   a. Info before acceptance or buildup
4. EU-ICS2 impact on
   a. Booking and Routing,
   b. Part (split) Shipments (on separate flights) cargo and mail
   c. Express Shipment house filing.
5. Agreed Processes & Stakeholder Outreach:
   a. Mail Filing
6. Multiple PLACI initiatives – Consolidation (not cargo) Filing
7. Messaging Standards and Code List
8. Fall back procedures

Recap Day 1 (6th June 2023)

2023 PLACI Compliance Requirements Session 2nd Edition

Recap (1 of 9)

1. Opening & Welcome by IATA

i. What is required by PLACI (New Procedures, IT System Upgrades, Data Quality, Support & Training)?

ii. Why PLACI is so Impactful (Additional requirements for Cargo Data, Mail Data Filing, existing C-IMP don't support new requirements, Multiple filing, Referral Handling)

iii. Components of PLACI compliance (Hub and Outstations SOPs, Implement new business processes, Cargo and Mail IT systems upgrade, Upgrade Messaging Standards to Cargo-XML, Customs Filing Solution.

iv. Review Status of all PLACI Initiatives (US-ACAS, EU-ICS2, UK-PreDICT, CA-PACT, UAE-NAIC

v. Other governments considering PLACI initiative include India, Madagascar, Hong-Kong, Saudi Arabia

vi. Recap of last PLACI session (Nov)

vii. Expectations for the session???

2. EU Union Customs Code work programme and EU ICS2 by Renata Pauliukaityte (EU Commission- DG TAXUD)

3. What are the ICS2 R2 implementation timelines?

i. **1st March 2023:** Launch of ICS2 R2 by MS and Start of deployment window for air carriers and self-filing FFs.

ii. **1st July 2023:** End of derogation for certain MS. End of deployment window for air carriers

iii **2nd Oct 2023:** End of deployment window for self-filing FFs.

Recap (2 of 9)

4. What happened on 1st March 2023?

i. ICS2 Release 2 was launched with 12 EU MS, CH, NO and Northern Ireland national components

ii. 12 EU MS were granted a derogation until 30 June

iii. Air carriers were advised not to start ENS filings and obtain a deployment window until 1st July

iv. Express and postal operators continued their ENS filing in ICS2 R1

v. R2 deployment window for self-filing FFs granted from 1 March until 2 October at the latest

5. Current Status of Member States readiness with ICS2 R2

i. **MS in ICS2-R2**: Bulgaria, Czechia, Germany, Spain, Finland, Hungary, Italy, Lithuania, Latvia, Portugal, Slovenia, Slovakia, Switzerland, Norway, Norther Ireland

ii. **MS to deploy by 1st July 2023**: Austria, Belgium, Cyprus, France, Croatia, Ireland, Luxembourg, Malta, Netherlands, Poland, Sweden

iii. **MS that will deploy by 02/10/2023 or later**: Estonia, Greece, Denmark, Romania

6. What is going to happen on 1st July 2023?

i. Air carriers start MAWB ENS filing in ICS2 including EORI, HS Codes etc. They must also file HWB if there is no house filer deployment window. Business Continuity Plan to be followed by MS who will not be ready by then.

ii. Air carriers can stop filing into the ICS1 if compliant with ICS2 R2 (Successful Go Live).

iii. ENSs lodged into ICS1 must be finalized in ICS1 (arrival and presentation notifications in ICS1).

iv. Express and postal operators continue filing in ICS2 R1 until end of their deployment window and then migrate to ICS2 R2 latest by 2nd Oct 2023

v. Deployment window of self-filing FFs continues until 2 October at the latest

Recap (3 of 9)

7. What is going to happen by 2nd October 2023?

i. Express operators fully migrate to ICS2 R2 for pre-loading, pre-arrival ENSs and ultimately AN and PN.

ii. Postal operators migrate to ICS2 R2 (F43 and F44 flings) during a switch over period

iii. All self-filing FFs start filing in ICS2

8. Air cargo general – differentiation of Self-Filing FFs

i. Air carrier is main responsible party to file an ENS

ii. Air carrier files a pre-loading and full pre-arrival ENS as of July 1 & Respond to Referrals

iii. In case, carrier allows self-filing by FFs:

   a. Air carrier files pre-arrival ENS (MAWB level data only) as of July 1

   b. FF files pre-loading ENS and pre-arrival ENS (lowest HAWB level data) at the end of their deployment window (2 October at the latest)

9. Air cargo general – differentiation of Express Consignments

i. Express operator files pre-loading ENS (F32) in all cases

ii. If carrier arranges with express operator that they will provide all necessary HAWB level data to the carrier, then air carrier files a full pre-arrival ENS as of July 1 (F31)

iii. If carrier and express operator arrange that they will file their respective ENS parts themselves:

   a. Air carrier files pre-arrival ENS (MAWB level data only) as of July 1 (F21)

   b. Express operator files pre-arrival ENS (HAWB level data) at the end of their deployment window (2 October at the latest) (F33)

iv. Carrier can arrange with express operator to lodge a full ENS pre-arrival by express operator. Carrier provides master level information to the express operator. Express operator files full pre-arrival ENS at the end of their deployment window (2 October at the latest) (F31)

Recap (4 of 9)

10. Postal consignments

i. For the goods destined to or in transit via the EU, Carrier files pre-arrival ENS (MAWB level data only) (F42)

ii. For the goods to be transhipped via the EU:

   a. Carrier files pre-arrival ENS (MAWB level data only) (F42), AND

   b. Either files pre-loading house level data (F43 and F44) themselves, or arrange with the origin postal operator that they file – Deployment window 2nd October upon request

11. Referral handling

i. Declarant receives referral requests (RFI, RFS) and must address the referral and respond back

ii. Depending on regulatory environment, screening is limited to approved entities, emphasizing need for cooperation between Carrier and FF

iii. Invoke Do Not Load Procedures

iv. Carrier to make a decision to carry or not the non-compliant goods if the referral is yet to be addressed by the other party/declarant e.g. Post.

12. Elements from the air cargo general operational guidance

i. In case of e-commerce items,

   a. the HWB data must show real consignor and consignee instead of e-commerce platform/merchant.

   b. The MAWB data (certain data elements) can be declared as follows:

      - Only one goods item to be declared
      - description of goods can be replaced by the statement 'detailed goods description as provided from the house level'
      - HS6 – only one value to be provided as declared on house level

Recap (5 of 9)

13. Future developments with planned implementation in 2024

i. Push of carrier notifications in pre-loading when filing is done using F23+F25 ENS filings:

ii. Query the status of the postal consignments using MRN or Receptacles

14. ICS2 guidance documents for air carriers

i. Guidance document on customs formalities on entry and import into the European union

ii. Guidance on the acceptable and non-acceptable terms for the description of goods

iii. EU guidance on air cargo security referral protocols for ICS2

iv. ICS2 Pre-arrival referral guidance

v. ICS2 Operational guidance for air cargo general (review launch on 15 June)

vi. ICS2 Release 2 Operational guidance for postal consignments

vii. ICS2 Release 2 Operational guidance for express consignments

viii. ICS2 Address Processing Guidance (might be updated for R2)

15. Technical support

i. Economic operators need to interact with the national customs authorities (the national service desk details available in Go-live procedure or here) for UUM&DS registration, EORI registration, Self-conformance testing, Incidents

ii. Central service desk of DG TAXUD can be contacted only by national service desk when a problem cannot be resolved by national customs authority

iii. Ad hoc support is provided by ICS2 team only in exceptional circumstances

Recap (6 of 9)

16. Q&A Session with EU Commission – DGTAXUD

i. **Air carriers facing conformance testing issues**,

   a. EU is monitoring the testing closely and if issues persist, a recommendation will be provided to National Customs by 15 June to push the go live by a month. Impacted Air Carriers will be informed.

   b. If carrier go live is pushed back, Self-filing FFs are recommended to wait for the carrier to be ready.

ii. **EO Referral Contact Person in EU/MS**: Initial recommendation is to include the referral contact person in the ENS. Renata will discuss internally and advise.

iii. **EU-ICS2 Go Live Date Sync with Carrier Operation**:1st July go live data is applicable to the flights arriving in EU. Impacted carriers must ensure the preloading data filing procedures must be invoked earlier to ensure compliance. Renata to confirm if the exact time is mid-day 1st July.

iv. **MS not yet ready by 1st July**: Worst case business continuity procedures will be applied. After 1st July, there wouldn't be any legal basis to file EU-ICS1. EU Commission is taking it up further the respective MS.

v. **Referrals**:

   a. Referral is always to the declarant and Declarant must address and respond to the customs. Carrier is always informed.

   b. Some legal challenges foreseen to address the referrals by the FF declarant if the shipment is in carrier custody.

Recap (7 of 9)

vi. **STI Push Notification Issue**: Push Notification by the Shared Trader Interface (STI) does not support ITSP which is a problem.

vii. **Non-Compliance consequence**: If Carrier is ready and don't supply the data after 1st July, MS can invoke sanctions and penalties. If testing issues, a month grace period being considered.

viii. **Non-Availability of HWB (self-filing FF) by 1st July**: Carrier might get referral by the MS if House is missing by 1st July therefore EU recommends filing the data whatever you have.

ix. **Lack of responses by some MS,** EU asked for more information on that MS.

x. **Missing Data**: Missing CARDIT from Postal Operators, further details to be shared with EU Commission.

xi. **HS Codes MAWB**: No preference on picking any one HS Codes from houses to the Master.

xii. **Time commitment for referral**: No commitment on time duration for referrals.

xiii. **Multiple Referrals**: Risk Assessment resulting into multiple referrals cannot be excluded.

17. IATA Tools and Resources for PLACI

i. IATA PLACI Manual contains general rules, business processes https://www.iata.org/placi/

ii. IATA Cargo-XML Manual and Toolkit contains messages specs and schema https://www.iata.org/en/publications/store/cargo-xml-toolkit/

iii. IATA EPIC Portal https://www.iata.org/epic/

iv. IATA Training https://www.iata.org/training/

Recap (8 of 9)

18. Airlines' readiness, implementation experience & challenges

i. Panelists (Cargolux, Emirates Skycargo, American Airlines) shared their ICS2 readiness status. EU-ICS2 conformance testing in progress. On track to be ready by 1st July.

ii. EU-ICS2 is termed as a complex project as both airlines and FFs don't own the data. Ultimate impact on business e.g. delay in referral handling might lose space, Operational bottlenecks, Rerouting procedures impacted.

iii. Readiness implies System Enhancements, Awareness Programs (Internal & External), Additional Resources for Monitoring, New SOPs, Online Trainings.

iv. New Business Rules are being implemented e.g. no CARDIT no Mail uplift. HS Codes mandatory, Referral handling mandatory

v. E-Commerce challenges- Lack of HWB data. Customer engagement underway. Checkpoints and hard stops at origin GHAs if EU-ICS2 non-compliance.

vi. Extensive engagement with IT Vendors. Messaging Upgrade to Cargo-XML (C-IMP limitations),

19. Freight Forwarders' implementation experience & challenges

i. Panel discussion (FIATA, CLECAT i.e. K+N and DBSchenker)
ii. FIATA
    a. Survey on membership readiness
    b. Multiple Filing Agreement Template under review by legal

a. According to EU MS, 28 FF are registered for self-filing.
i. An open group is working on a multiple filing agreement template, will be shared with IATA at the end of June for input.
ii. FF signing this multiple agreement will self-file for all shipments, from all the concerned FF stations: a "cherry picking" approach is not feasible.
iii. The agreement will better clarify roles/responsibilities than the EU legislation does.
iv. Multinational self-filing FF intend to file both PLACI+pre-arrival, the Carrier would then only have to file pre-arrival MAWB.

Recap (9 of 9)

20. Ground Handlers' implementation experience & challenges

i. Panel Discussion (AF/KLM Cargo, DNATA, MNG Ground Handling)
ii. GHA don't file directly to EU-ICS2 rather feeding data to airlines for filing.
iii. XCSN is necessary to forward Customs info to GHA.
iv. EU GHA at import will have to manage PN+AN.
v. GHA must have new SOPs and fallback procedures.
vi. Rerouting from non-EU to EU is a concern, as ICS2 R2 required data (HS) will not be available if initial routing did not involve EU. This may limit carriers' options for rerouting.
vii. GHAs have to manage multiple airline systems. Preference is for GHA to use their own system, whenever this is possible.
viii. MRN are necessary for EU GHA who have to manage Declarations for Temporary Storage.
ix. From a carrier perspective, there should be no RCS if there is no Assessment Complete.
x. List of cargo exempted from ICS2 can be found in art. 104 UCC Delegated Act, however only valid if such cargo is not mixed with other cargo.
xi. Descartes: Multiple MRNs are challenges, proposal presented to IATA to further qualify the MRN.
xii. CHAMP: Proposal will be presented to IATA to further qualify Custom OK code.

Recap Day 2 (7th June 2023)

2023 PLACI Compliance Requirements Session 2nd Edition

Recap (1 of 5) Day 2

21. EU ICS2 postal regulations – UPU Presentation

i. Background CARDI/RESDIT standards maintained by UPU and IATA

ii. Recent changes include Inclusion of e-CSD, RESDIT without CARDIT, PAWB inclusion, EAD with AR Flag associated

iii. AR-Flag Definition implies All applicable regulations are met and Receptacle (Mail Bag) must be offload if one item has an outstanding referral.

iv. Pre-requisite by Postal Operator

   a. **Origin post sends** electronic customs declaration to destination customs (ITMATT, PREDES) via destination postal operator.

   b. **No Outstanding Referral** (ITMREF-> to communicate referral, REFRSP-> Referral response)

   c. **Aggregation and validation** means to ITMATT was sent for all items containing goods and There is no outstanding referral for any item in consignment

v. UPU Monitors EDI exchanges and associated quality/compliance

   a. Compliance Reports distributed to 196 Postal Operators

   b. Compliance checks include HS Codes and Postal Addresses

   c. Monthly compliance reports to 32 airlines and others are invited to join. RESDIT without CARDIT 10%

   d. Reports on EAD information AR Flag to Europe indicated AR-flag provided: 57.7%, Origin and Destination postal offices provided: 82.3%, Valid AR-ID provided 35%

   e. EAD Readiness Report for Postal Operators was shared

Recap (2 of 5)

22. Q&A Session with Panelists (UPU, IPC)

i. **AR Flag differences**: At present, AR flag is set if there is no pending referral (including no response from Destination MS) however carriers are interested to link AR with assessment complete is received from Destination MS.

   a. Issue is being taken up in respective forums. Slow progress.

   b. Intervention by IATA AMB and Contact Committee secretariat. Proposed new definition of AR Flag under review.

ii. **Importance of Regulation ID**: With increasing number of PLACI implementations, it is important to get the respective regulation ID along with the AR Flag.

iii. **Postal Exemptions visibility to carriers** -> carriers will file all receptacles even exempted from filing as there is no visibility on the carrier end on the exemption.

iv. **IPC Postal Item Filing** -> 99% postal item filing results in risk assessment ok.

v. **Business continuity plan** -> EU-ICS2 allow to move the goods in case of longer system outage, however, final decision is with carrier.

vi. **Postal Filing Readiness**-> Carriers are concerns due to lack of clarity on Postal Mail operational processes (Assessment complete, late referral handling, Transshipment etc.) under the ICS2 regime.

vii. **Harmonized Procedure**-> Ground handlers requires harmonized procedures.

viii. **Missing CARDIT**-> Individual carriers are advised to take up directly with UPU where Postal Operator don't supply required CARDIT message

Recap (3 of 5)

ix. **Postal Items Data Quality Challenges**-> UPU is trying to address the data quality challenges by providing necessary tools.

x. **Transshipment** Mail via EU -> Transshipment Mail via EU is a major concern.

a. Transshipment Mail requires agreements, procedures, origin post registration in EU etc. UPU need to take steps to address the challenges.

b. EU regulations indicates that either carrier file EU transit mail item level data to the respective Member State or ensure original postal operator file the item level data. It is however foreseen that carriers will not file the mail item level data.

c. Industry is seeking UPU intervention to come up with right solution and processes to address the EU transshipped mail.

d. Carriers to request the deployment windows from National Customs for 2nd October.

23. Canada PACT, UAE NAIC and UK PreDICT Updates:

24. Transport Canada:

i. Now regulation is published March 2023

ii. 75 days period for industry to comment is closing soon. By law comments will be published as well as responses to comments.

iii. Operation and IT Developments are being reviewed

iv. Next milestone -> Q4 2024 regulation will be enforced and there will be informed compliance period

v. Voluntary onboarding by Q4 2023

vi. Two-way messaging

vii. Focus on industry facilitation and reduced burden.

viii. Learning lesson from ICS2.

Recap (4 of 5)

25. United Arab Emirates:

i. PLACI Phase-2

ii. Direction from management-> Selected partners (LH, EK, EY, DHL) and release 1

iii. By Sept finish release 2 and 3.

iv. Cutover 2024.

v. UAE announced introduction of mandatory HS Codes for their ACI filing.

   a. Mandatory HS Codes Implementation underway.

   b. Responsibility of accurate HS Code with Carrier.

vi. Challenges

   a. Data Quality Challenges (Inaccurate data, timing issue, compliance, version, duplication,)

   b. Mitigate risks -> session with carriers, cooperate with industry, Multiple programs

vii. Steps being taken to address these challenges.

26. UK Border Force

i. Conformance testing, Voluntary Participation,

ii. No firm timelines as of now.

iii. Focus is to make it easy for the industry, smooth processes.

Recap (5 of 5)

27. Q&A Session with Transport Canada, UK Border Force, UAE NAIC

i. Self-Filing Option for FF in Canadian Regulation-> Regulations for carriers , self-filing is allowed.

ii. Experience of Airlines (CA, UK, UAE):

iii. EK feedback-> Addressing data quality challenges for UAE NAIC (missing data, duplicate data etc.)

iv. LH Feeback -> Good communication and cooperation.

   a. NAIC based on C-IMP, better upgrade to Cargo-XML.

   b. Prefer to use standard messages rather than introducing proprietary messages.

v. AA-> Shared US-ACAS experience.

   a. Suggested to follow US practice for stakeholder engagement i.e. setup a monthly.

   b. US introducing electronic export manifest (US-ACE) and supporting Cargo-XML.

vi. Courier Baggage Voucher (CBV) is regularized under ICS2 and data must be filed to destined EU MS state. Recommendation is to use Air Waybill

28. Technical Solutions Presentations by UPU, IPC, CHAMP and HANS Infomatics

29. Concerns raised on non-uniformity on Presentation Notifications (PN) procedures and Messaging by EU Member States

   i. TAXUD cannot intervene as this is of national competence

   ii. There is a risk that cargo will not be fully cleared if the PN cannot be filed.

   iii. Not clear whether the possibility to link PN with TS could possibly help. This is legally possible, but not always technically depending on EU MS.