ICS2

Quick Guide and FAQs

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Last updated as of March 2023

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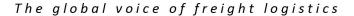
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Quick Guide

What is ICS2?

The Import Control system (ICS), a pre-arrival security programme established by the EU in 2011, is being gradually replaced with a new customs pre-arrival security and safety programme called Import Control System 2 (ICS2). This new system will allow for the implementation of the new Union Customs Code (UCC) processes and procedures relating to the entry or transit of goods to/through the EU including Switzerland, Norway and Northern Ireland.

It is a system supporting the following processes:

·   Lodging the Entry Summary Declaration (ENS) (advance cargo information) to customs;
·   Security and safety risk analysis by customs;
·   Arrival of means of transport · presentation of goods to customs; and
·   Control of goods by customs, where required.

For the first time, it will introduce the option of multiple filing, providing freight forwarders the possibility to file house level data themselves.

What does ICS2 not address?

ICS2 is not an import system, and it is not used for the processing of the customs declarations for release into free circulation.

How does ICS2 fit into the customs domain?

Entry of the goods into the EU can be described as a 5-step process, consisting of

1. the lodgement of the Entry summary declaration (ENS)
2. notification of the arrival of the means of transport
3. presentation of goods
4. temporary storage of goods and
5. placing the goods under a customs procedure.

Business models/transport modes affected by ICS2

ICS2 will support the communication of advanced cargo information (ENS) for safety and security risk analysis on the entry of goods into the EU for the following transport modes and business models: road, rail, maritime, air, air express and postal goods.

ICS2 business process scope covers three steps out of five: lodgement of the ENS, notification of the arrival of the means of transport and presentation of goods.

An important change is the possibility of multiple filings by the carrier and other parties in the supply chain, and improved data quality through harmonisation of data requirements and data structures. Carriers and other contracted filing parties (Freight forwarders, ultimate consignee) should therefore share certain information with each other for ENS filing purposes, or need to file their part of the ENS.

What are ICS2 Releases?

The ICS2 Transition Strategy and Plan foresees implementation of the new system and consequently new Entry Summary Declaration requirements and related business and risk management processes in three operational releases.

- · **Release 1:** Air postal and express consignments – Pre-Loading Advance Cargo Information (PLACI) minimum ENS dataset
- · **Release 2:** Goods in Air traffic – complete ENS dataset for all goods in air transport
- · **Release 3:** Goods in Maritime and inland waterways, Road and Rail traffic – complete ENS dataset for all goods in these sectors, including postal goods.

What is the scope of different ICS2 Releases?

Release 1:

- · lodgement of pre-loading minimum data set (PLACI) for air express and postal consignments;
- · presentation process for postal consignments.

Release 2:

- · lodgement of the complete ENS for all goods in air traffic;
- · lodgement of the arrival notification for all goods in air traffic;
- · presentation process for air express consignments and general air cargo.

Release 3:

- · lodgement of the complete ENS for maritime and inland waterways, road and rail traffic (this includes goods in postal consignments transported in these means of transport);
- · lodgement of the arrival notification for maritime and inland waterways;
- · presentation process for all goods on all modes of traffic.

Timelines for different ICS2 releases

Preparing for Import Control System, ICS2 Release 2, coming into force from March 2023.

The regulation is new to all companies, and freight forwarders need to start preparation in time, especially since IT systems/procedures may need to be adjusted and tested for conformance.

DG TAXUD has provided a clarification on the deployment windows of ICS2 **Release 2** for goods transported by air, which will have the following phased deployment:

1 March – 30 June 2023: Deployment for Air carriers for the master level of filing (MAWB);

1 July – 2 October 2023: Deployment for House Filers, i.e. the freight forwarders who would choose to file house level information (HAWB) themselves.

1. Who will do the filing?

First, as a **freight forwarder**, you need to decide if you will:

*   **file the pre-loading and pre-arrival data yourselves.** If you do so, you need to register and obtain an **Economic Operators Registration and Identification (EORI) number** from one of the EU Member States' customs authorities. You will need to have a fully integrated system to allow you to file directly on the interface with the common repository and the interface provided by EU Commission.

Or

*   **leave it up to the carrier to file on your behalf.** If you choose this option, you must make the necessary commercial documentation data (i.e., house level transport contract) available to your air carriers in advance for them to file the necessary information to ICS2 within the legal time limit.

Depending on the option you choose, there will be an impact on the price of the processes and also the responsiveness you need to have.

> ➢ Additionally, you can task an external company which is specialised in establishing this interface with the customs authorities (a number of options are available on the market).

2. Make the necessary contractual arrangements

Freight forwarders sending goods to or through the EU, Switzerland, Norway and Northern Ireland, and wishing to self-file themselves, need to get in touch with their air carriers and make **the necessary contractual arrangements** to fulfil ICS2 data reporting requirements.

The Economic Operator (EO) responsible for filing the pre-loading and pre-arrival data – whether it is you or your air carrier – can choose to use the services of an IT Service Provider for this purpose.

3. Ensure the collection of relevant information for the required data set

The required data set, inter alia, encompasses a description of each article and corresponding 6-digit Harmonised System (HS) code shipped under the House Airway Bill (HAWB).

The party filing the data to ICS2 is the Sender. In general, the carrier bringing the goods into the customs territory of the Union is obliged to lodge an ENS for those goods [Article 127 (4) UCC].

The European Commission Directorate-General Taxation and Customs Union (DG TAXUD) has stated that they expect the filer to provide the information and the description of the goods as it is stated in the commercial invoice.

4. Prepare systems and link data with carriers

If ICS2 is performed by a forwarder agent, the forwarder will have a filing role. There are data filing integrators (service providers) that **provide solutions and tools to file ICS2 data to EU customs**.

The system works on FWB and FHL messages to communicate with EU customs systems. The result of the assessment must be shared with airlines as well – in this case, airlines can provide their optional and unique systems to catch data or promote forwarders to share CSN messages received from integrators. If ICS2 is not applied by the forwarder agent but by the airline, airlines shall have different communication methods such as paperwork delivery, e-mail or web-service tools.

Frequently Asked Questions on ICS2 Release 2

The below FAQs will be focused on the Import Control System, ICS2 Release 2, coming into force from March 2023.

1. General Information:

- ### Is ICS2 an upgrade of ICS1?

No. ICS2 will fully replace ICS1 with an entirely new business process in accordance with the Union Customs Code legal requirements and the strategic operational needs expressed in the EU Customs Risk Management Strategy and Action Plan (adopted in 2014). Furthermore, ICS2 enables multiple filing of advance cargo information in accordance with Article 127 (6) of the Union Customs Code, and involves more supply chain actors and business models as per Article 127 (4) the Union Customs Code, with the goal of collecting better quality and timely data related to the goods supply chains.

- ### Are ICS1 and ICS2 going to run in parallel?

They will operate in parallel for a limited period of time. After the roll-out of ICS2 Release 3 on 1 March 2024, ICS1 will be phased out after a transitional period of 200 days.

- ### What is an ENS?

Entry Summary Declaration (ENS) is the act whereby a person informs the customs authorities, in the prescribed form and manner and within a specific time limit, that goods are to be brought into the customs territory of the Union.

- ### What is an ENS filing?

ENS filing means either partial or full ENS data set required by the legislation per specific mode of transport or business model.

- ### What is Preloading Advance Cargo Information (PLACI)?

PLACI refers to a specific type of partial ENS filing, which is the mandatory minimum dataset ('7+1') to be filed as soon as possible prior to loading of the goods onto the aircraft in a third country. It is limited to air traffic only and covers all goods (i.e. general cargo, express consignments and postal consignments).

- ### What is pre-loading?

Pre-loading indicates the phase before the goods are loaded onto the means of transport that will bring them into the customs territory of the European Union.

- ### What is pre-arrival?

Pre-arrival indicates the phase before the means of transport arrives in the customs territory of the European Union.

- ### Who must file an ENS and when?

In general, the carrier bringing the goods into the customs territory of the European Union is obliged to lodge an ENS for those goods [Article 127 (4) UCC]. When the carrier does not have all legally required particulars of the ENS at its disposal, those particulars are to be filed by the person who holds those

particulars and did not share them with the carrier. This will eventually enable the carrier to lodge a complete ENS [Article 127 (6) UCC; case of multiple filing].

Depending on the mode of transport, the ENS is to be filed within the following time limits:

Transport by sea
a) At the latest, two hours before the arrival of the vessel at the first port of entry into the Union in the case of goods coming from Greenland, Faeroe Islands, Iceland, ports on the Baltic Sea, Black Sea, Mediterranean Sea or Morocco;

b) The same two hours apply in cases where the goods are coming from other third country territories and the duration of the vessel's journey is less than 24 hours, and the goods enter the customs territory of the Union, the French overseas departments, the Azores, Madeira or the Canary Islands;

c) At the latest, four hours before the arrival of the vessel for bulk cargo in cases other than a) or b) above;

d) For containerised cargo in cases other than a) and b), 24 hours before the goods are loaded onto the vessel which will bring them into the customs territory of the Union.

Transport by air
e) The ENS, or when it is not possible, the minimum data set for air pre-loading, shall be lodged as early as possible but at the latest before the goods are loaded onto the aircraft which will bring them into the customs territory of the Union;

f) When only the minimum data set was lodged under (e), the complete ENS shall be lodged at the time of actual departure of the aircraft when the duration of the flight is less than four hours;

g) For other flights than those mentioned under f), the complete ENS is to be lodged four hours before the arrival of the aircraft at the first airport in the customs territory of the Union.

Transport by rail
h) When the train voyage takes less than two hours from the last train formation station outside the customs territory of the Union to the first point of entry into the customs territory, the ENS is to be lodged at the latest one hour before the train arrives at the border entry point of the Union;

i) In cases other than those mentioned under h), the ENS is to be lodged at the latest two hours before the train arrives at the entry point of the Union.

Transport by road
The ENS shall be lodged at the latest one hour before the goods arrive at the entry point of the Union.

Transport by inland waterways
The ENS shall be lodged at the latest two hours before the goods arrive at the entry point of the Union.

- ### Do I need to file ENS data when importing from Switzerland or Norway?

For the purposes of ICS2, there is no need to file ENS data when importing from Switzerland and Norway.

The EU has established bilateral agreements with Switzerland and Norway on customs security measures on the basis of equivalency of protection between the parties. Both countries have aligned their legislation with the applicable legislation of the EU internal market in the areas of security, health and safety (prohibitions and restrictions) which allows for goods to move within the common security area without ENS obligations. Switzerland and Norway have agreed to apply the same security and safety measures in force in the EU, including being part of ICS2. Trade between these countries and the EU will therefore be exempt from the requirement to lodge entry and exit summary declarations, as they will be treated as an EU Member State.

Both countries will apply ICS2 and receive data from the ICS2 Shared Trader Interface (STI) Common Repository (CR) This also means that **when importing from a third country into Switzerland or Norway**, economic operators will have to file Entry Summary Declaration (ENS) data to ICS2.

- ### What other numbers should we set for shipments going to Norway and Switzerland as they do not use EORI numbers?

In Switzerland, this is called a Business identification number (UID) number. For Norway, it is still to be established.

- ### Do I need to file ENS data when importing from the United Kingdom?

Yes, the United Kingdom has no special arrangement and is thus treated as any other third country for which the ENS filing obligations apply. An exception is in place solely for when goods are transported into the EU directly from Northern Ireland.

- ### Do we have to wait for the EU release before we can load cargo to be exported from our country to the EU?

You don't have to, but you take a big risk by not doing so. Without an 'assessment complete' message from the EU, you might be asked to divert your flight/face issues and may have a security risk on your aircraft.

- ### Do you expect the ICS2 to cause delays in customs clearance?

It is not expected that ICS2 will cause delays since the data has to be submitted prior to arrival of the goods. However, failure to provide the data or late submission might result in cargo being held until entry formalities are completed. Business Continuity Planning is in place in case the IT system is unavailable.

- What is the status of conformance testing?

Conformance testing can be performed in some of the Member States, and others are still in the process of setting up systems for it, some of them have requested additional time. You can address this question to your national service desks to confirm whether conformance testing is possible.

- What are the deployment windows for ICS2, Release 2?

DG TAXUD has provided a clarification on the deployment windows of ICS2 **Release 2** for goods transported by air, which will have the following phased deployment:

1 March – 30 June 2023: Deployment for Air carriers for the master level of filing (MAWB);

1 July – 2 October 2023: Deployment for House Filers, i.e. the freight forwarders who would choose to file house level information (HAWB) themselves.

2.   Filing:

- Which party is obliged to file?

Generally, the filing obligation under ICS2 lies with the **carrier** (Article 127(4) UCC DA).

- To file under ICS2, Economic Operators (EOs) need an EORI. Is it possible to use a central EORI of the organisation's HQ for filing in ICS2, or is it necessary to use multiple EORIs?

This depends on the business model applied by the EO. If the business is set-up to file centrally through the HQ, this EORI is sufficient. If the business wants to file in a decentralised manner through each representation, it will need an EORI for each of the entities filing.

- How to mention the multiple HS Codes on one air waybill in PLACI?

Each and every HS code must be mentioned. If you want to have it integrated into the carrier messages, it is likely that they will use the OCI segment, but this has to be reconfirmed.

Furthermore, it should be noted that when it comes to filing, there is a limitation in the number of characters, which was formally 1600 and has now been upgraded to 3500 characters. It is presumed that if you have to deliver a description of the goods, this could easily lead to a situation where the message does not cover the content due to the limitation in characters. IATA has clearly stated in writing that Cargo-IMP messages will not technically be able to convey all necessary information within the supply chain and that it is strongly recommended to use Cargo-XML instead, as that message standard does not have the same technical limitations and has been mapped with EU ICS2 requirements.

- In ICS2 filings, should each and every HS Code be mentioned? Will it suffice to list just the main items?

Yes, you cannot omit any of these. You will also have to deliver the description of **each, and every article** contained in the consignment, plus the 6-digit HS code. You will also have to indicate the weight of every article and its description.

- Does the airline need to create a format for EU customs specification? Does this mean EU customs will not accept XFWB and XFZE?

No, EU Customs do not accept CXML messages. The EU Customs messages are specific, tailor-made XML messages that have nothing in common with CIMP or CXML messages.

- Must an application be done for each EU country per carrier to be able to file ENS/ICS messages? Will this procedure still be effective/valid after ICS2-golive?

No, according to our information this will become a lot more simplified. Only one registration in the UUM&DS will be required to report to each Member State.

- Can you arrange pre-arrival filing at the same time as the pre-loading filing (combine both pre-load and pre-arrival)?

Practically, there is no restriction to do so, however most probably at Pre-Load times, you will not have all the information available to build proper Pre-Arrival messages (e.g., flight times or onload-offload information would be missing).

- Can we receive the requirements on how to transmit the new data on FHL and FWB messages?

This is available in the DG TAXUD CIRCABC repository. It contains all Message Implementation Guides (MIGs) as well as process descriptions for freight forwarders that intend to report the HAWB on their own.

- What are the recommendations from DG TAXUD for operational issues and common mistakes?

DG TAXUD has recommended parties to:
a. reinforce monitoring and use of ICS2 BCP for National Entry System (NES) downtimes longer than 30 minutes;
b. align with 3rd parties for the usage of the correct UNICODE characters sets;
c. improve the mapping of address data attributes in files;
d. avoid the most common errors by proper process management and supervision, including:
  1. using ENS amendment filing for correction of data and not sending new ENS.
  2. not amending HCs or goods items in ENS amendments.
  3. not introducing new HCs or goods items in ENS amendments. In order to avoid this error, the original ENS first needs to be invalidated and then a new ENS with the added HCs or goods items needs to be sent.
  4. mistakes in addresses, i.e., entering pincode in street number etc.

- Which UNICODE character sets will not be accepted?

According to DG TAXUD, the following UNICODE code blocks will not be accepted:

Basic_latin, latin_1_supplement, extended_a, latin_extended_b, greek, cyrillic, cirillic_supplementary, Cyrillic_extended_a, phonetic_extensions, phonetic_extensions_supplement, latin_extended_additional, Greek_extended, general_punctuation, superscripts_and_subscripts, currency_symbols

3.   Multiple filing

- What is multiple filing?

Multiple filing splits the Entry Summary Declaration (ENS) into different parts, allowing multiple parties to file information to ICS2. In the Common Repository, these partial filings are linked.

This allows freight forwarders to opt to file house-level information themselves rather than submitting the data to the carrier.

However, in case the carrier does not hold all particulars needed for the complete Entry Summary Declaration, other persons (e.g. freight forwarders, postal operators, express couriers, ground handling agents, exporters, etc.) holding those particulars must either provide them to the carrier or file that information directly in ICS2. In case all parties file their own part of the data, they are responsible for the completeness and accuracy of the data they provided. All parties that will be filing ENS will have to ensure collection of the necessary data, and to ensure such data adheres to an adequate level of quality.

- Can I opt for multiple filing?

Yes, relevant EOs, including freight forwarders, have the right to file individually. The legal basis for this is laid down in Article 127(6) of the UCC DA.

- What and when can I file as a freight forwarder?

Freight forwarders have the possibility to file house-level information for the ENS under multiple filing (Article 127(6) UCC DA).

Alternatively, there is also the option for the freight forwarder to opt for full filing, which would include master-level information. This requires, however, notification of any changes to master-level information, e.g. a deviation in the ETA or the flight-routing.

- When and how do I take the decision for multiple filing?

Arrangements for multiple filing should be concluded between the freight forwarders and carriers. Parties should clarify this as soon as possible. Freight forwarders are advised to get in touch with their

carriers and make the necessary contractual arrangements as early as possible to carry out ICS2 data reporting requirements.

- Is there a required sequence for filing ENS data?

No, there is no set sequence for filing, provided the filing time limits are respected.

- Is self-filing for freight forwarders mandatory? Or is there way that freight forwarders may transmit details to airlines and final filing can be done by airlines?

No, it is not mandatory. The Freight forwarder can decide to leave the filing fully to the Airline.

- Is the EU-ICS2 filing platform free for use for freight forwarders?

The EU-ICS2 Shared Trader Interface (STI) is open to be used also by FFs and is free of charge. Of course, freight forwarders will need to build or buy a solution to be able to connect and to submit the messages according to the EU specifications.

- Can the freight forwarder use the FHL message to support the ICS2 requirements?

The FHL as such can contain all the information required to report HAWB data to ICS2. Some data is usually picked from reference data inside the applications. Aspects such as Customs Office Codes or Declarant EORI are usually not part of the FHL details. Generally speaking, it is enough for the freight forwarder to use the FHL to provide the information to the Airlines.

- What is the difference between the pre-loading and pre-arrival message (Data elements)?

PLACI usually refers to the 7+1 (AWB, description, piece, weight, unit, shipper name, address, consignee name, address), whereas ACI data contains a lot more info such as the method of payment, type of package, customs office code, etc.

- What makes ICS2 different from the previous ICS1?

ICS2 is the same as ICS1 in that it will ask for MAWB, Direct and HAWBs to be reported. ICS2, however, adds the Pre-Load process, allows freight forwarders to file HAWBs, introduces referrals as well as Control Notifications after arrival. In addition, it makes new data, such as the HCC (Harmonized Commodity Code), mandatory.

- As a freight forwarder, how do I tell the airline that this is a Pre-load or Pre arrival Message?

If the question refers to the scenario where the freight forwarder has done the filing to ICS2, has received a response which he wants to forward to the Airline and wants to tell the Airline if the response is from a Pre-Load or Pre-Arrival filing, then this is something the Airlines and the freight forwarder would need to find an agreement on (e.g. specific flags in a potential Customs message (e.g. CSN) message the

forwarder would share with the Airline). In a scenario where the freight forwarder does not self-file, the forwarder does not need to do anything as filing will remain the responsibility of the carrier.

- What is the difference between the U.S. AMS (Automated Manifest System) and ICS2?

European data content is much more precise and contains more data elements than the US equivalent. The US equivalent is somewhat new, and there is no system integration for the time being.

Essentially, both systems work on 7 + 1 AWB data, but the ICS2 system can require more detailed additional data to complete assessment. The aims and assessment structure are very different from each other. ICS2 focuses on pre-loading assessment to observe different parameters linked to the shipment's security threats.

4. Other questions:

- Are there any additional restrictions after ICS2 Release 2? Or do we just need to send more detailed information about the cargo?

There are no restrictions. The ICS2 release means that a green light will be given to indicate that the cargo can be loaded on board, showing that a risk analysis is being conducted.
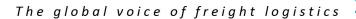
The ICS2 release should be seen as a two-phased approach: Firstly, it is coming from a counter-terrorism strategy, so they have to make sure that the risk assessment is done before loading in order to avoid any explosive devices hidden or concealed in the type of consignment to be loaded on board.
Secondly, there would be another kind of risk assessment being conducted and this happens at the point in time where the freight forwarder is lodging the F46 data content, or the carrier is lodging this information on behalf of the freight forwarder. This happens prior to arrival and consequently screening would take place regarding the kind of electronic data submitted or potential smuggling of drugs, trafficking of arms, etc.

If any risk is detected, then the consignment might be detained upon arrival and would be subject to a physical inspection by the relevant customs authority. Based on the severity of the threat detected, the detention can take place at the customs freight entry or at the final destination.

- What if we are the export country but the airline is stopping in another country prior to arriving in the EU? Who is responsible for notifications and waiting for release to send import to the EU?

While the decision on when to file between the export and the transit country in such a scenario is technically a business decision, it is recommended to perform the PLACI filing right at the first station, but you can take the "risk" of flying goods to your first destination prior to the EU, and performing the PLACI filing there. If you receive a referral which you cannot manage on time, you will need to offload. The alternative, i.e. filing only at transit, is risky and would moreover require offload in case of a referral.

5.   References and useful sources

- **ICS2 project documentation on CIRCABC – public groups: Release 2: air cargo general, postal and express pre-arrival** - https://circabc.europa.eu/ui/group/ea5f882b-9153-4fc1-9394-54ac8fe9149a
- **ICS2 webpage:** https://ec.europa.eu/ICS2 for detailed ICS2 information, factsheets in nine languages, FAQs