



WORLD SHIPPING COUNCIL  
PARTNERS IN TRADE

# EU Advance Cargo Security Rules: Maritime Shipments

*JOC East Coast Maritime Conference  
September 28, 2010*





- **Changes to EU Customs Code 2005 are scheduled to become effective January 1, 2011.**
- **Changes will require earlier submission of cargo manifest information by ocean carriers.**
- **Shippers need to provide cargo data elements by carriers' "cut-off."**
- **Do-Not-Load or other controls may be ordered.**
- **Penalties may be imposed.**



# Objectives of the Changes

- **Perform a security risk assessment before goods arrive in or are brought out of the EU.**
- **Enable electronic submission of manifest data from a single filer.**
- **Create a uniform data set.**
  - Enable information exchange to and between Member States and with the European Commission.
- **Enable risk assessment by a single Member State (MS), for all goods arriving in the EU.**
  - Irrespective of port of discharge
  - Based on common criteria accepted by all other MS.



- **Authorized Economic Operator (AEO)**
  - European C-TPAT program
  - In effect since January 1, 2008
- **Economic Operator Identification and Registration (EORI)**
  - EORI number is required for all customs filings
  - In effect since July 1, 2010

## **Effective January 1, 2011**

- **Exit Summary Declarations (EXS) (?????)**
- **Entry Summary Declarations (ENS)**



# Entry Summary Declarations (ENS) Principles

- **ENS must be lodged for ALL goods to arrive in the EU.**
  - Goods that will be imported into the EU.
  - Goods transshipped in an EU port for a destination outside the EU.
  - Goods re-loaded at an EU port for transit to a destination outside the EU.
  - Freight Remaining on Board (FROB) – i.e. non-EU destined goods that are on board a ship when that ship arrives at the first EU port.



# Entry Summary Declarations (ENS) Principles

- **Filing Deadlines**
  - **Deep-sea containerized shipments**
    - ENS to be lodged no later than 24 hours before loading in each foreign load port.
    - Filer submits some 28-30 data elements.
    - ***Shippers must supply some 12-14 data elements by filer's designated cut-off.***
  - **Other maritime shipments**
    - Deep sea non-containerized cargo – 4 hours before arrival
    - Short-sea cargo in the EU – 2 hours before arrival

*Note: Other transport modes, including air, also have filing deadlines.*



# Entry Summary Declarations (ENS) Principles

- **Filing Procedure**
  - **ENS must be lodged at the Customs office of first entry in the EU.**
    - Customs office responsible for the first port in the EU where the goods will arrive.
  - **Customs office of first entry will:**
    - Register and validate the ENS.
    - Issue Movement Reference Number (MRN) to filer, and if different, also to the ocean carrier.
    - Perform security risk assessment for all ENS.
    - Forward positive risk results to subsequent ports on vessels' itinerary.
      - No identified risks = no sharing of ENS info.
    - Impose penalties in accordance with national law.



# Entry Summary Declarations (ENS) Principles

- The carrier (VOCC) is legally responsible for lodging the ENS within the deadline.
  - No dual VOCC/NVOCC filing requirement.
  - Bill of lading issuing VOCC must file (same as U.S.).
- Carrier is obligated to:
  - Ensure ENS is accurate and complete.
  - “Provide the information known to him at time of filing.”
- Carrier is not required to “ascertain the accuracy of the data provided to him.”



# Operational consequences when VOCC is filing ENS



- **“Cut-off”**: To be set locally, by each line, per port and per vessel service
  - Analogous to “cut-offs” under U.S. 24 Hour Rule
- **Shipping instructions**: To include all ENS data that carrier does not already possess.



**Thank you!**

***Note: Supplemental information providing a more detailed explanation of the regulation begin on the next slide.***



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# **EU Advance Cargo Security Rules: Maritime Shipments**

***Supplemental Information for  
JOC East Coast Maritime Conference Attendees***

## Changes to EU Customs Code 2005

- **Security risk assessment before goods arrive in or are brought out of the EU**
- **Electronic submissions by a single filer**
- **Uniform data set**
- **Risk assessment done by a single Member State (MS) for all goods, irrespective of port of discharge, based on common criteria to be accepted by all other MS.**



- **Information exchanges to and between Member States and with the Commission:**
  - **Import Control System (ICS) – Phase 1**
  - **Export Control System (ECS)**
  - **Authorized Economic Operator (AEO)**
  - **Economic Operator Identification and Registration (EORI)**



## Implementation

- **AEO: 1/1/2008**
- **EORI: 7/1/2009 (effective 7/1/2010)**
- **EU export goods: 7/1/2009**
- **Entry Summary Declarations (ENS) & Exit Summary Declarations (EXS)**

**<Scheduled for 1/1/2011>**



# Entry Summary Declarations (ENS)

- Basic principles:
- (1) An ENS must be lodged for **all** goods that are to **arrive** in the EU.
  - Goods to be **imported** in to the EU.
  - Goods to be **transshipped** in an EU port for a destination outside the EU.
  - Goods to be re-loaded in an EU port for **transit** for a destination outside the EU.
  - Freight Remaining on Board (**FROB**).



# Entry Summary Declarations (ENS)

- Basic principles:
- **(2) Filing deadlines**
  - *For deep sea containerized shipments:* ENS to be lodged no later than **24 hours** before vessel **loading** in **each** foreign load port.
  - *Other maritime shipments:* ENS to be lodged no later than 4 hours before arrival (deep sea non-containerized cargoes) or 2 hours before **arrival** ("short sea" cargoes) in EU.

*Note: Other transport modes, including air, have their own filing deadlines.*



# Entry Summary Declarations (ENS)

- Basic principles:
- *(3) The ENS must, as a general rule, be lodged at the **Customs office of first entry** in the EU, which is the Customs office competent for the port where the goods are to arrive first in the EU.*



# Entry Summary Declarations (ENS)

- **Responsibilities of Customs Office of First Entry**
  - Register and validate the ENS.
  - Issue Movement Reference Number (MRN) to declarant and, if different, also to ocean carrier.
  - Perform security risk analysis for all ENS irrespective of where the goods are to be discharged, including FROB.
  - Forward positive risk results, if any, to subsequent ports on vessel's itinerary. **No identified risks = no sharing of ENS info.**
    - 3 risk result types:
    - Do Not Load (Deep sea container only)
    - Controls at first port of entry
    - Controls at scheduled port of discharge
  - **May impose penalties (per national law):**
    - Inaccurate ENS
    - Filing deadline not met
    - No ENS

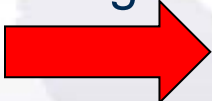



# North Asia - US West - Europe



NUE	PUSAN	SHANGHAI	NINGBO	QINGDAO	PANAMA CANAL	COLON CONTAINER TERMINAL	CHARLESTON	NORFOLK	NEW YORK	ANTWERP	BREMERHAVEN	ROTTERDAM	LE HAVRE
ETA	THU	SAT	MON	WED	SUN	MON	FRI	SUN	MON	WED	THU	SAT	SUN
ETD	FRI	SUN	TUE	THU	MON	TUE	SAT	MON	TUE	THU	FRI	SUN	MON
T/S TIME	0	1	3	5	23	24	28	30	31	40	41	43	44

# Entry Summary Declarations (ENS)

- Basic principles:
- (4) The **"carrier"** is legally responsible for lodging the ENS within the deadline. **No dual VOCC/NVOCC filing requirement!**
- **"Carrier"** means:
  - The person who brings or assumes responsibility for bringing the goods into the EU.  
 VOCC is responsible
- **VSA or similar contracting agreements, e.g. space or slot charter, to provide regular, scheduled service in to the EU.**  
 Bill of lading issuing VOCC is responsible (same as U.S.)



# ENS Carrier Filing Responsibility

- The carrier, when the declarant, is responsible for the accuracy and completeness of the ENS.
- The carrier is **“only obliged to provide the information known to him”** at time of filing.
- **“Known to him”**: Carrier is **entitled to use data provided by carrier’s shipper customer** and as set out in the (master) bill of lading.
- The carrier is **not required to “ascertain the accuracy of the data provided to him”**.

(Source: Commission ENS Guidelines document, page 10)



# ENS Carrier Filing Responsibility

- **ENS Data Elements**

- Number of items in the ENS
- Unique consignment reference number assigned to the goods or Transport document number, e.g. B/L number
- Consignor (EORI number if available)
- Person lodging the ENS (EORI number mandatory)
- Consignee (EORI number if available)
- Carrier (if different from declarant; EORI number mandatory)
- Notify Party (mandatory for “To Order” B/L)
- Identity of active means of transport entering the EU, i.e. IMO number
- Conveyance reference number, i.e. B/L carrier’s voyage number

*(more)*



# ENS Carrier Filing Responsibility

- **ENS Data Elements *continued***
  - First place of arrival in the EU code
  - Date of arrival at the first place in the EU
  - Subsequent EU customs office(-s) of entry code(-s)
  - Country(-s) of routing code(-s) (to the extent known)
  - Mode of transport at the border
  - Place of loading
  - Place of unloading code
  - **Acceptable goods description** (not required by EU law if 4 digit HS code provided. Because of national language and other issues, 6 digit HS Code is recommended.)
  - **Code for the type of packages**
  - **Number of packages**
  - **Shipping marks for packaged goods** (not necessary for containerized goods)

(more)



# ENS Carrier Filing Responsibility

- **ENS Data Elements *continued***
  - **Container number**
  - **Seal number**
  - Number of the item in relation to total number of items in ENS
  - **4 digit HS code** (not required by EU law when **acceptable** goods description is provided. Because of national language and other issues, 6 digit HS Code is recommended.)
  - **Gross mass (kg)**
  - **UN code for dangerous goods**
  - **Transport charges method of payment code** (e.g. cash, credit card - to be provided only where available)
  - Declaration date
  - Signature/authentication
  - Code for special circumstances, e.g. AEO (if applicable)



# ENS Data Supplied by Shippers

- **Data Elements to be Provided by Shippers by carrier “cut-offs”:**
  - Consignor (EORI number if available)
  - Consignee (EORI number if available)
  - Notify Party (mandatory for “To Order” B/L)
  - Acceptable goods description (as discussed above)
  - Code for the type of packages
  - Number of packages
  - Shipping marks for packaged goods (not necessary for containerized goods)
  - Container number
  - Seal number
  - 4 digit HS code (as discussed above)
  - Gross mass (kg)
  - UN code for dangerous goods
  - Transport charges method of payment code (to be provided only where available)



# ENS Third Party Filing

- Other parties may lodge the ENS **instead** of the VOCC, but only with the VOCC's "**knowledge and consent**".
- "Knowledge and consent" should be pursuant to a contractual agreement, which should address:
  - Shipments involved and duration of agreement
  - Point of time 3rd party filing must be made before loading
  - Responsibility for lodging amendments to ENS
  - Indemnification clause (Omission to lodge ENS may result in vessel and/or cargo delays and Customs penalties on the VOCC).
  - Data elements to be provided by the carrier to 3rd party for ENS filing
  - Data elements the 3rd party **must** include in ENS so carrier can confirm filing has been made and to respond to Do Not Load messages:
    - Carrier EORI number
    - Carrier master B/L number
    - Container number

(Source: Commission ENS Guidelines document, pages 7-8)



# ENS Third Party Filing Responsibility

- **As the declarant, the 3rd party becomes responsible for the accuracy and completeness of ENS.**
- **VOCC is not required or expected to “police“ the accuracy and completeness.**
- **VOCC’s receipt of MRN for 3rd party ENS filing serves proof that the carrier’s legal obligation has been met.**
- **VOCC should not lodge ENS when 3rd party has lodged an ENS. Where double filing occurs, VOCC’s filing takes precedence.**



# Operational consequences when VOCC is filing ENS



- **“Cut-off”**: To be set locally, by each line, per port and per vessel service
  - Analogous to “cut-offs” under U.S. 24 Hour Rule
- **Shipping instructions**: To include all ENS data that carrier does not already possess.



# Operational consequences when 3<sup>rd</sup> party is filing ENS

- **Similar to when VOCC is filing with following additional points:**
  - VOCC may have an **earlier “cut-off” for the 3rd party** filer because it will need to receive the MRN for the 3rd party ENS filing prior to finalizing the vessel stow plan.
  - Without the MRN for 3rd party ENS filing, the VOCC **may not load** shipment.
  - Unclear what benefits a shipper may derive from 3rd party ENS filing.

ENS: Operational consequences:  
**U.S. Exports to arrive in EU**  
(import, transit, transshipment and FROB)

**Situation today**

- I. U. S. exporter to provide AES filing citation (ITN) or exemption legend (e.g. low value goods) to carrier no later than 24 hours before loading at U.S. load port
- II. Carriers with continuous bond entitled to file export manifest to CBP up to 4 days post-departure
- III. Normally, carrier obtains from U.S. exporter the shipping instructions within **a period of 24 hours prior to departure and 24 hours after departure.**

**Situation on 1/1/2011**

- I. No change
- II. No change
- III. The shipping instructions must be provided to carrier **earlier than today** (“cut-off”) in order for carrier to meet the EU’s pre-loading ENS filing requirement.



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# Sri Lanka – Algeciras – Houston

(illustration for next two slides RE: U.S. imports)



PORT	ARRIVES	DEPARTS	TRANSIT
Colombo, Sri Lanka	SUN 0100	MON 1800	--
Salalah, Oman	SAT 0100	SUN 0700	4
Jeddah, Saudi Arabia	WED 1700	THU 0300	9
Aqaba, Jordan	FRI 2200	SUN 0500	11
Port Said, Egypt	MON 1900	TUE 0700	14
Algeciras, Spain	SAT 2000	SUN 1400	19
Newark, NJ, USA	MON 1900	TUE 1300	28
Savannah, GA, USA	THU 0800	THU 1700	31
Houston, TX, USA	SUN 1900	TUE 0000	34

## U.S. Imports via EU

### Example: Sri Lanka – Spain - Houston

## Goods are FROB in Algeciras, SP

### Situation today

- I. Advance manifest to CBP 24 hours before loading in Colombo
- II. Shipping instructions to be provided to carrier by “cut off” in Colombo
- III. Arrival manifest at arrival in Algeciras

### Situation on 1/1/2011

- I. No change
- II. No change
- III. **Pre-loading ENS** to be lodged with Customs in Algeciras. Carrier can use same shipping instructions provided by “cut off” in Colombo for both CBP and EU filing. **Two pre-loading risk assessments.**

# U.S. Imports via EU

## Example: Sri Lanka - Spain- Houston

### Goods are transshipped in Algeciras, SP

#### Situation today

- I. Advance manifest to CBP 24 hours before loading in Algeciras bound for Houston.
- II. Shipping instructions to be provided to carrier by “cut off” in Algeciras.
- III. Arrival manifest at arrival in Algeciras. (Goods must be declared for and taken out of temporary storage prior to loading in Algeciras; this is normally done by carrier).

#### Situation on 1/1/2011

- I. No change
- II. Shipping instructions to be provided to carrier by “cut off” in **Colombo**, and – if carrier changes – by “cut off” in Algeciras.
- III. **Pre-loading ENS** to be lodged with Customs in Algeciras. (Goods must still be declared for and taken out of temporary storage prior to loading in Algeciras; must include **MRN** for ENS filing).



# Exit Summary Declarations (EXS)

- **EXS is required when goods are to be brought out of the EU without a customs or re-export declaration.**
  - **VOCC responsible for lodging EXS, where required**
  - **Same filing deadlines and (mostly) same data elements as for ENS**
  - **Highly complex and unmanageable EXS exemptions**
  - **Highly doubtful if this requirement will take effect 1/1/2011**
  - **If/when EXS requirement takes effect, U.S. exporters and importers will likely experience little or no operational consequences in terms of shipping instructions and/or “cut-off” with exception of shipper owned empty containers.**
  - **As of 1/1/2011: Business as usual (release from temporary storage)**



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# More information

European Commission website:

[http://ec.europa.eu/ecip/index\\_en.htm](http://ec.europa.eu/ecip/index_en.htm)

Check frequently for updates!