FAQ's: Import Control System (ICS) – Information for UK Traders.

What is the Import Control System (ICS)?

What legislation supports the introduction of ICS?

What is the timetable for the introduction of Phase 1 of ICS in the UK?

What further phases of ICS are expected?

How will ICS systems be developed by Member States?

What are the routes into ICS in the UK?

Who is responsible for submitting the ENS?

Can someone other than the "carrier" submit an ENS?

Will implementation of ICS Phase 1 in other Member States affect my business?

What are the main elements of ICS Phase 1?

What is an Entry Summary Declaration (ENS)?

What happens to the ENS data received in ICS?

How will the risk analysis be undertaken in the UK?

What is a "Do Not Load" message?

What is an "International Diversion Request"?

What is a Movement Reference Number (MRN)?

What is an "Entry Key"?

In the UK, does ICS replace the need to make the current customs import declaration

into CHIEF (Customs Handling of Import and Export Freight)?

Will ICS Phase 1 require any changes to the CHIEF system?

When must an ENS be lodged?

What are the time limits for making the Entry Summary Declaration?

What data needs to be included in an ENS?

How will traders and carriers be identified on the ENS?

How do I register for an EORI number?

What messaging system will ICS use?

What are the main messages that will be exchanged between traders, HMRC and

other Member States for ICS?

Where can I find additional information about ICS?

What is the Import Control System (ICS)?

The Import Control System (ICS) is the first phase implementation of the EU wide Automated Import System (AIS).

ICS implements the EU safety and security legislation which requires carriers (or their authorised representatives) to provide pre-arrival information, in a specified format, for all cargo entering the EU regardless of the eventual destination of the cargo. This information is submitted in a declaration, known as an "Entry Summary Declaration" (ENS) to the first [air]port of entry into the EU (the "Office of First Entry" (OoFE)) and will include, amongst other things, details which identify the cargo, the traders involved in the movement, the vessel/aircraft and the envisaged route into and across the EU,

ICS information will be assessed against a set of common (EU) risk criteria and will also allow for messages to be passed onto subsequent ports or airports in other Member States (Offices of Subsequent Entry (OoSE) about any positive risks identified at the first [air]port of entry into the EU.

All ICS messaging must be fully electronic.

What legislation supports the introduction of ICS?

The Import Control System is being introduced across the European Union (EU) as part of the safety and security amendment to the Customs Code set out in the European Parliament and Council Regulation (EC) No 648/2005 and Commission Regulation 1875/2006/EC.

What is the timetable for the introduction of Phase 1 of ICS in the UK?

The legislation requires ICS to be introduced across the EU on 1st July 2009. However, it was recognised that this implementation date was not achievable for a number of trade sectors and the commission and Member States agreed a transition period to the end of December 2010.

The UK now intends to implement ICS on $\underline{2^{nd}}$ November $\underline{2010}$ before the final, legal transition deadline of 1st January 2011, from when it will be mandatory for traders to provide customs authorities with advance information in the form of an ENS for all goods brought into the customs territory of the EU.

A Trader Test Facility (Third Party Validation System) will be available from 29th April 2010. A trader test pack will be available early March 2010. Information on Trader Test will be published under the HMRC Software Developers Support Team (SDST) webpage.

What further phases of ICS are expected?

The second phase of ICS potentially includes "Office of Lodgement" (if this is made mandatory) and the passing of all information to subsequent Member States, rather than just information where a positive risk has been identified as is the case with phase 1.

There is currently no commitment on the part of Member States to move to a second phase, however, once ICS Phase 1 has been successfully delivered there will be a full EU wide review of the costs/benefits offered by progressing to the full ICS solution before deciding whether to do so.

Any further development will be taken forward as part of the Modernised Customs Code (MCC) implementation and will include a review of process and data requirements.

How will ICS systems be developed by Member States?

The ICS systems architecture has been developed by the EU for the lodging and processing of ENS's and for the exchange of messages. Each Member State is responsible for building its own system to the specifications laid down by the EU.

The UK system is being built by ASPIRE, the IT provider to HMRC. Companies and traders who wish to adapt their own systems to interface with ICS will need to refer to the <u>UK Trader Interface Specification (TIS)</u> which has been developed by ASPIRE using the EU technical specifications.

What are the routes into ICS in the UK?

Message exchanges with the UK ICS for the submission of ENS's and other transactions will be either via the <u>Government Gateway</u> or through one of the channels being provided by some <u>Community System Providers</u> (CSPs).

HMRC is aware that some independent software companies who already provide customs packages, are developing ICS functionality which will sit at the front end of their systems and will connect with one of the above channels into ICS. If you are a carrier, or are likely to submit Entry Summary Declarations on behalf of a carrier (e.g. a groupage operator) it may be advisable to contact your current CSP and / or software supplier to obtain further information about this.

Please note that HMRC / ASPIRE are <u>not</u> developing a web interface to UK ICS, i.e. no screen into which data can be manually input.

Information on registration for ICS via the Government Gateway will be available on the ICS webpage nearer the go-live date of 2nd November 2010.

Who is responsible for submitting the ENS?

The operator of the active means of transport on or in which the goods are brought into the customs territory of the Community (e.g. the vessel, aircraft, train or road vehicle) commonly known as "the carrier, is responsible for ensuring an ENS is filed...

The operator is the person who brings, or who assumes responsibility for the carriage of the goods into the customs territory of the Community. In the case of maritime or air traffic where a vessel sharing or contracting arrangement is in place, the obligation lies with the person who issues the bill of lading / air waybill for the actual carriage of the

goods on the vessel / aircraft. Thus for a deep sea container vessel, there may be several such ocean carriers.

Can someone other than the "carrier" submit an ENS?

Someone other than the carrier may lodge an ENS. However, as it is the carrier's responsibility to ensure that it is submitted within the legal time limits, it must only be done by a representative with the carrier's knowledge and consent.

Will implementation of ICS Phase 1 in other Member States affect my business?

If you import goods into the EU via <u>any</u> Member State, then the requirements of ICS will apply to your business. It should be remembered that although cargo may be coming direct to the UK, the vessel carrying it may well initially call at an Office of First Entry in another Member State. The ENS will need to be submitted to that Member State and so submission must accord with that Member State's ICS implementation timeline.

What are the main elements of ICS Phase 1?

ICS Phase 1 seeks to build upon the **existing** processes of:

- presentation / arrival process for imported and transhipped goods;
- national risk analysis performed before imported goods are discharged.

ICS Phase 1 will provide for:

- the lodging, handling and processing of an ENS in advance of the arrival of goods;
- the issue of a "Movement Reference Number" (MRN);
- safety and security risk analysis to a common set of EU risk criteria;
- the exchange of positive risk results between member states;
- the ability to issue a "Do Not Load" (DNL) message where necessary (for deepsea maritime containerised imports only);
- the handling of a vessel or aircraft "International Diversion Request" and
- the processing of an "Entry Key" this is a conveyance level number which can be used by carriers instead of many individual MRN's in the exchange of messages:
- Identification of AEOs to enable the benefits of a reduced data set and fewer physical and document based controls to be delivered.

What is an Entry Summary Declaration (ENS)?

An ENS is an electronic declaration of goods being carried into the customs territory of the EU. The declaration is made to the customs Office of First Entry (OoFE) in the EU and will be required for **all** goods carried on-board the means of transport, including: goods to be discharged at [air]ports in the EU and those remaining on board and destined for [air]ports outside of the EU.

What happens to the ENS data received in ICS?

Once the ENS is received in ICS, customs administrations will undertake risk analysis against an agreed set of criteria and, where a positive risk is identified will take appropriate action. This may include forwarding positive risk assessment information to subsequent Member States.

How will the risk analysis be undertaken in the UK?

Where a UK (air)port is to be the Office of First Entry, all data on the Entry Summary Declaration as provided to the UK ICS application will be run against the EU risk criteria.

Where positive results are detected, UKBA (as delivery partners for HMRC at the UK frontier) will assess whether to intervene. This may mean issuing a "Do Not Load" message, intercepting the goods on arrival in the UK, or merely forwarding the positive risk results to customs administration(s) in subsequent identified [air]port(s) in the EU.

What is a "Do Not Load" message?

At the request of the maritime container industry, the time limit for the submission of an ENS for deep-sea containerised shipping is at least **24 hours before loading the vessel.** This will allow risk assessment to be undertaken before goods are loaded and, in exceptional circumstances, allows for the customs authority at the first port of entry to notify the declarant and, where different, the carrier that the goods are not to be loaded. This is to avoid the possible necessity of unloading a suspicious container destined for elsewhere from the bottom of a large vessel at its first EU port of call.

There is no such message for air or other types of freight movement.

What is an "International Diversion Request"?

Where the active means of transport (vessel/aircraft/lorry) is to be diverted to a Member State (MS) which is different from the MS where the declared Office of First Entry is located and also different from where any of the declared Offices of Subsequent Entry are located, the operator for the active means of transport must lodge a "Diversion Request" to the initially declared Office of First Entry. This office then sends the ENS data and any positive risk information to the actual Office of First Entry.

For example, if all the lodged ENS's show that a vessel is due to call at UK, NL, FR and DE but is diverted to IE (Ireland) then a diversion request will need to be sent to the UK as Office of First Entry **before** the vessel reaches Ireland. The UK will then arrange for the ICS data to be forwarded to the Irish customs authority.

There is no need to submit a diversion request if the diversion is to another [air]port in either:

- the Member State **already listed** as Office of First Entry; or
- any [air]port in a Member State already listed as an Office of Subsequent Entry.

What data elements need to be included in an International Diversion Request?

The data elements required can be found at Annex A to these FAQs.

What is a "Movement Reference Number" (MRN)?

The MRN is an ICS system generated number that is automatically allocated by the member state which, after successful validation, accepts and registers the received ENS. The MRN will be notified to the declarant and, where different, the carrier. You can view the structure of an ICS MRN in the UK TIS at Appendix E

What is an "Entry Key"?

The "Entry Key" is a "conveyance level" reference which may be used instead of an MRN in the exchange of messages, for example, for a "Diversion Request" or an "Arrival Notification". The Entry Key is comprised of two ENS data items:

- the "Identity and nationality of the active means of transport crossing the border"; and
- the "Date and time of arrival at the first place of arrival in the EU customs territory".

N.B. The Entry Key will refer to all the ENS's/MRNs which contain these same two data items. If a vessel or aircraft is diverted and the carrier has used an "Entry Key" it is easier to divert all the MRNs associated with that number from the "declared" Office of First Entry on the ENS to the "actual" Office of First Entry into the EU.

In the UK, does ICS replace the need to make the current customs import declaration into CHIEF (Customs Handling of Import and Export Freight)?

No. ICS does not replace the need to make a customs import declaration that is ordinarily submitted to CHIEF

Will ICS Phase 1 require any changes to the CHIEF system?

No. ICS Phase 1 does not impact on "fiscal" customs declarations as the submission of an ENS to ICS is a totally separate process from the handling of the import customs declaration submitted to CHIEF.

When must an ENS be lodged?

EU legislation requires that an electronic ENS <u>must</u> be lodged before **arrival** at the first point of entry into the customs territory of the Community but the time limits vary by mode of transport.

Additionally, in the case of maritime deep sea containerised shipments, it is required that the ENS is submitted **before loading** onto the vessel that will carry the goods into the customs territory of the Community.

What are the time limits for making the Entry Summary Declaration?

The time limits for the lodging of the ENS are set out in Article 184a of Implementing Regulation 2454/1993 (as amended by Commission Regulation 1875/2006). They vary according to the mode of transportation carrying the goods into the customs territory of the Community and are summarised in Annex B attached to these FAQs.

What data needs to be included in an ENS?

The data requirements are laid down in Annex 30A of Commission Regulation 1875/2006.

Tables based on this information and including some notes for clarification are attached at Annex C to these FAQs.

How will traders and carriers be identified on the ENS?

From 1 July 2009 it became mandatory for anyone involved in Customs activities in the EU to become registered for an Economic Operator Registration and Identification (EORI) number.

The carrier or their representative submitting an ENS will need to ensure that they have a valid EORI number. In addition, EU consignees' declared on the ENS, will also be identified by their EORI number. Consignees outside the EU will be identified by their EORI number if they have one or by their name and address.

How do I register for an EORI number?

Details about EORI and how to become registered can be found on the <u>EORI Scheme</u> <u>Home Page</u> available from the HMRC website.

What messaging system will ICS use?

The ENS is submitted to ICS using an XML message called an IE (Information Exchange) 315.

The format and structure of all messages, including the rules and conditions required, can be found in the UK <u>TIS</u>. The details of the IE315 can be found in Section 7.1. There are also a number of appendices which can be found at this link. These include code lists, such as country codes (Code list 8 in the Codes ZIP file) and other helpful technical information.

What are the main messages that will be exchanged between traders, HMRC and other Member States for ICS?

Annex D to these FAQ's includes a table with details of all messages that will be used for ICS.

Where can I find additional information about ICS?

All technical information (including the TIS) can be found on the Software Developers Support Team (SDST) <u>webpage</u>.

HMRC are in the process of updating the ICS webpage (click <u>HERE</u> for current link). We are also in the process of producing a User Guide for ICS. This will consolidate information available in documentation such as the UK TIS, EU Guidelines and the relevant articles of the Customs Code and its implementing regulations and should be available on the ICS webpage in April 2010.

ICS update Customs Information Papers (<u>CIP papers</u>) may be issued periodically throughout 2010.

Other Information and guidance regarding ICS is / will be available from:

- Business Link;
- ➤ The <u>EUROPA website</u> Customs Office List codes for Offices of First and Subsequent Entry will be available here (NB UK codes are not available yet).
- Volume 3 of the UK Tariff will be updated to reflect ICS (available in November 1st 2010 edition);
- ➤ The EU document "Guidelines on entry and summary declarations in the context of Regulation (EC) No 648/2005" will be made available on the ICS web page but please note that national differences may apply so this document should be read in conjunction with any issued by HM Revenue and Customs and its IT supplier.