



CUSTOMER NOTICE: EU 24 HOURS ADVANCE CARGO SECURITY RULES

The European Union (EU) has promulgated new advance cargo security rules that are scheduled to take effect for all vessel voyages that begin after midnight December 31, 2010. These rules establish for containerized shipments a European “24 Hour Rule” similar to those established in other jurisdictions, e.g., the U.S., Canada and the People’s Republic of China.

The European 24 Hour Rule requires that the ocean carrier file with the relevant national Customs authority in the EU an Entry Summary Declaration (ENS) for all shipments that will be carried on a vessel that will call one or more ports in the EU.

The EU rules require that the ENS must be filed no later than 24 hours before commencement of vessel loading in each foreign (i.e., non-EU) port on the vessel schedule.

An ENS is required irrespective of the final destination of each individual shipment on a vessel arriving in the EU. This means that an ENS is required for shipments:

- Imported into the EU
- Discharged in an EU port for transit by rail or truck to a non-EU destination
- Transshipped in an EU port for loading on to another vessel for carriage to a non-EU destination
- Remaining on board the vessel (FROB) during ports of call in the EU with a destination outside the EU.

The EU rules prescribes the data elements that must be included in the ENS. An incomplete ENS will be rejected by the Customs authorities. A shipment for which an ENS has not been filed and accepted by Customs may not be loaded. In other words -- the EU 24 Hour Rule applies a “no documentation – no load” requirement. Penalties and delay of the vessel and shipments carried may result in case of breach of this requirement. We YML will apply this “no documentation-no load” requirement. The data elements required to be included in the ENS will need to be taken from the ocean carrier’s master Bill of Lading (B/L). We YML issues our master B/L on the basis of information provided at the time of booking and completed by the shipping instructions as received from each of our shipper customers.

If we do not get these shipping instructions well ahead of the time when we must lodge the ENS, we will be unable to file a complete ENS for the shipment. The

latest time that we must receive the shipping instructions so that we may file a complete ENS on time is called documentation cut-off.

We YML will apply different documentation cut-off times for each non-EU foreign load port and trade lane. Your local [shipping company] office will in due course inform you about the documentation cut-off that also will be provided at the time of booking of shipments that will arrive in the EU.

The data elements we will need to receive by the documentation cut-off for inclusion in the ENS are:

- § Consignor (EORI number where available)
- § Consignee (EORI number where available)
- § Notify Party (mandatory for “To Order” B/L)
- § 4 digit HS code, but 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)
- § Container number
- § Seal number
- § Gross mass (in kilograms)
- § UN code for dangerous goods
- § Transport charges method of payment code (e.g. payment in cash, payment by credit card, payment by check, electronic credit transfer, account holder with carrier, not pre-paid).

We do not plan to accept a plain language cargo description *instead* of HS codes. This is because several EU Member States have stated that they will not accept cargo descriptions in English but will require that cargo descriptions be translated into their national languages, thus imposing an additional reporting burden on ocean carriers and their shipper customers. Use of the HS codes will address this issue. Also, although the EU rules – currently, at least – only require 4 digit HS codes, we recommend that our shipper customers always provide HS codes at the 6 digit level. 4 digit HS codes are rather general and may lead Customs authorities to make enquiries about the nature of the goods, perhaps putting a hold on the shipment pending receipt of more details about the goods.

The Customs authorities will use the 24 hour “window” between filing of the ENS and commencement of vessel loading operations to risk assess the shipment. If this risk assessment results in Customs issuing a “Do Not Load” request, we YML will inform the shipper customer concerned and, in cooperation with the customer, try to address Customs’ concerns so that the container may still be loaded on to the scheduled vessel. However, the individual EU Member States are entitled to establish their own conditions for whether, and on what basis, to lift

a “Do Not Load” request, so our shipper customers should expect delays in the loading of containers subject to “Do Not Load” messages.

The most efficient way to reduce the likelihood of European Customs authorities issuing “Do Not Load” requests is to ensure that the shipping instructions are:

- Ø Provided at the latest by our documentary cut-off;
- Ø Complete; and
- Ø Accurate.

More information about the EU's new advance cargo security rules can be obtained from the European Commission's website:
http://ec.europa.eu/ecip/index_en.htm

