



ICS User Representative Newsletter

29 August 2003

Number 10

*“some messages
required to report
to Customs have
changed from
Release 1 to
Release 3
versions”*

“At last!”

In This Edition

This newsletter provides an update on the different components of the ICS with some exciting news on the Digital Certificate front.

Release 1

Customs announced on 15 August that the availability of Release 1 (HVLV Reporters) would move from December to March 2004 to coincide with the introduction of Release 2 Exports. However, the operation of Release 1 has changed too; some messages required to report to Customs have changed from Release 1 to Release 3 versions. These changes only affect a small number of clients and such clients have been advised by Customs.

Digital Certificate (PKI) Update

At last! Verisign contacted me earlier this week to advise that final legal issues have been overcome and contracts have been finalised and signed with Customs. This means the Verisign site will be available from 15 September for companies to start the process required to obtain Digital Certificates.

Other organisations are making progress towards the provision of Digital Certificates also. Last week the Sydney Morning Herald reported that the ANZ bank had achieved Gatekeeper recognition for their Indetrus based identity scheme.

Customs stresses, however, as with any Certifying Authority (CA), Customs will want to reach agreement with the ANZ concerning their certificate services to ensure they meet their business-specific requirements, for example in the important areas of evidence of identity processing, supplier liability and certificate generation. Customs has been undertaking this same process with Verisign, in liaison with NOIE. While the process of defining contractual arrangements will have to be repeated with other CAs, it is not expected to be as protracted in future, as it has been with Verisign.

Client Registration System

As noted above, the full Client Registration system will not be available until later this year. As advised in my last newsletter, Customs provided an interim facility that allows service providers to register their clients.

“Testing of the Exports component of the ICS became available for testing to software developers on 18 August”

“It was agreed by the CTOs that they expected that such export shipments would be turned away”

Full information is available from the CMR website here:

http://itools.customs.gov.au/client_reg_doc.asp#

Release 2 (Exports)

Testing of the Exports component of the ICS became available to software developers on 18 August. Customs advised me that testing is progressing, with some clients being able to report messages through the Customs interactive with response times under ten seconds.

Note at this stage, only software developers with test digital certificates are able to test their systems at this stage. Later this year, once the Client Registration System is operational, end users will be able to test their systems as well.

Earlier this month, CBFA, AFIF, Shipping Australia and Customs met with the Air and Sea CTOs to examine the business impacts of the introduction of the Exports component of the ICS, with specific reference to Gate Reporting.

Air CTOs have not yet finalised their positions regarding export cargo arriving without a clear CAN, while P&O Ports and Patrick advise that such shipments will be turned away.

The main points that arose from both the Air and Sea meetings are summarised below:

What happens when an export shipment arrives without a CAN?

It was agreed by the CTOs that they expected that such export shipments would be turned away. It was noted that each CTO would have software in place to check the authenticity of the format of the CAN. That is, they will check the algorithm of the actual CAN to ensure it is valid. If the CAN is valid and clear, the cargo will be accepted for export. If not, the cargo will not be accepted.

Issue 2: What happens if an export shipment has a valid CAN, but after the CTO reports the cargo they receive a DO NOT LOAD?

CTOs advised they would contact the relevant parties with advice to the effect that there was a problem with the shipment. AFIF noted that in situations where one freight forwarder was responsible for the whole consolidations such problems should not occur if the correct procedures are adopted. However, AFIF noted that export consolidators who are wholesalers, might have problems as they have taken on other consolidations in which they did not create the export declarations.

The most likely problem would be this scenario: 1) Consol cargo accepted for export 2) CTO receives a Do Not Load (DNL) 3) CTO advises consolidator 4) Consolidator needs to determine which individual line is causing the DNL. Problems could arise if the consolidator is not at the office when the CTO calls or they cannot contact the relevant party to fix the problem to allow the remainder of the cargo to be exported.

This discussion raised the following important point: **When is a Do Not**

Load issued?

Customs provided the following list of when a Do Not Load will be issued:

1. An Underbond EDN with a MATCH response from Customs (from the Warehouse Release Notice) and the Underbond EDN is Expired or WITHDRAWN is reported for this line.
2. An Underbond EDN that does not have a MATCH response from Customs (from the Warehouse Release Notice) and the Underbond EDN is WITHDRAWN or REVOKED is reported for this line.
3. An Expired, WITHDRAWN, REVOKED or Embargoed Non-Underbond EDN is reported for this line.
4. An Expired CRN is reported for this line.
5. An Expired CRN which quotes an Underbond EDN (at any child level) that does not have a MATCH response from Customs (from the Warehouse Release Notice) is reported for this line.
6. A WITHDRAWN or REVOKED CRN is reported for this line.
7. An Expired or CANCELLED ACEAN is reported for this line.
8. An Expired or WITHDRAWN Transshipment Number is reported for this line.
9. The reported CAN has a Status of ERROR and an Amplifying Condition of Validation.
10. An Underbond EDN or a CRN or an ACEAN or a Transshipment Number is reported for this line, and:
 - * the CAN reported exists at another CTO with no removal indicated; AND
 - * the receiving CTO is not receiving repositioned cargo; AND
 - * an Offload Indicator of "Y" is not present on the CTO Receival Notice
11. An Air Waybill Cargo Id cannot be shared between an Underbond EDN or a CRN or an ACEAN or a Transshipment Number in the same CTO. Where an Air Waybill Cargo Id has been assigned to a CAN, and subsequent receival(s) report that Air Waybill Cargo Id, but with a different CAN, the subsequent receivals will get a Movement Status of DO NOT LOAD.
12. Within the same CTO, an Underbond EDN or a CRN or an ACEAN or a Transshipment Number can only have one unique Air Waybill Cargo Id assigned to the CAN. Where an Air Waybill Cargo Id has been assigned to a CAN, and subsequent receival(s) report that CAN, but with a different Air Waybill Cargo Id, the subsequent receivals will get a Movement Status of DO NOT LOAD
13. A Slot CRN is reported for this line.

“training in the use of the new export system starts next week”

“Customs has renamed the Import Release Version 4”

“the overwhelming majority of responses were in favour of shifting the Imports implementation date”

14. If Mode of Transport is Sea and Carrier Party Id, Vessel Id or Voyage Number have not been provided, the offending line must receive a Movement Status of DO NOT LOAD.

Note:

1 "Underbond EDN" is an Export Declaration where the Customable/Excisable Indicator on the Export Declaration is set to "Y" 2 "Non-Underbond" means where the Customable/Excisable Indicator on the Export Declaration is set to "N"

I can provide a full copy of the report of the two meetings on request.

Joint ACS/CBFCA Training for Exports starts next week!

Just a quick reminder that training in the use of the new export system starts next week, so click on the link below (and it works this time!) to find out when the team will be in your region.

http://cbfca.com.au/cbfca_site/site/page.asp?flash=ok

Release 3a & 3b (Imports)

Just to confuse the issue even further, Customs has renamed the Import Release (currently 3a and 3b) "Version 4". I will continue using Release 3, but in some Customs correspondence, you might come across the term Version 4, so you now have a reference point for comparison.

STRAW POLL

After Customs made the announcement to postpone the export implementation, I ran a straw poll to gauge industry reaction to the shift in dates, and the impact it may have on business. As well as plenty of yes and no answers, I received quite a few strong views on the postponement itself.

Firstly, I should note that now I do not intend to publish the raw results of my survey; some industry associations are conducting their own, and it is the responsibility of those organisations to represent such views to Customs directly. Secondly, many strong views were recorded noting that much investment and preparation had been made for the target dates, and slippages had significant effects on business practises. Similarly, some sectors had made yearlong plans around the published dates, and slippages had thrown those plans awry.

That said the overwhelming majority of responses were in favour of shifting the Imports implementation date to provide more time for industry to come to grips with Exports, and to allow more time to prepare for Imports.

Imports - SOFTWARE DEVELOPERS WORKSHOP

Thanks to Customs for a detailed presentation to a medium sized crowd of software developers on 22 August. It is beyond the scope of this newsletter to report in full on the proceedings, but several import action items were taken for follow up by Customs:

- The issue of being able to "replace" message for Release 3 (as in the Exports) rather than "changing" them

“There has been a recent rise in the interest level for ACP for imports”

Grant Allison-Young

ICS User
Representative
308/39 Doody St
Alexandria, Sydney
NSW 2015

Phones:
02 9700 8736
0411 88 7955

Fax:
02 9700 7533

E-mail:
grantay@icsrep.com.au

- The provision of a facility to allow parties to request status via EDI (as in Exports) rather than through the Customs Interactive
- Customs to provide “Business Rules” for Release 3 as part of the Software Developers Guide.

ACCREDITED CLIENTS PROGRAM (ACP) IMPORTS UPDATE

There has been a recent rise in the interest level for ACP for imports. A spokesperson from the ACP section advised me that the final Business Rules for ACP will be published on the Customs Web site around 1 October, as well as announcements to changes in the audit procedures. It is rumoured that the proposed charge for the RCR (Request for Cargo Release) might come down while the Periodic Declaration will remain as is.

Next Month

In conjunction with the ACS/CBFCA Training sessions, I plan to visit major regions and hold meetings with local branches of industry associations to provide an update on CMR and to provide an opportunity to identify local issues.

If time permits, I will be available to meet with individual businesses to address any CMR matters you wish to discuss. Please drop me an email.