



ICS User Representative Newsletter

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In This Edition

- PKI Update
- Testing Issues for Exports
- Import Cargo Reporting Testing
- Customs information sessions in November/December
- Import Transition Model
- Issues with Customs for Resolution

“Customs has just announced the addition of Telstra to the list of Certification Authorities”

Digital Certificate (PKI) Update

Customs has just announced the addition of Telstra to their list of approved Certification Authorities. Here is an excerpt from the media release:

“Customs today (20 October) announced that it has approved Telstra as a certification authority for the purpose of providing digital certificates to Customs and its clients. These certificates may be used for electronic communications with the new import/export Integrated Cargo System (ICS) associated with Customs Cargo Management Re-engineering (CMR) project.

Customs and Telstra will now be entering into negotiations over the details of how and when users will be able to apply for Telstra certificates for use with Customs systems. This will include details as to the pricing structure for Telstra certificates to be used for Customs purposes. Customs continues to be ready to approve any certification authority that is accredited under the Government’s Gatekeeper strategy and also meets Customs specific business needs.”

I will keep you updated with more information as it becomes available.

Exports

You may be aware software developers have been experiencing difficulties testing their ICS exports system in the Customs test environment. As a result of industry feedback submitted to Customs, Customs committed more resources to support the testing of the exports component.

Several developers I spoke with said that noticeable improvements in the testing environment have been made and their system testing will

“noticeable improvements in the testing environment have been made”

“testing of the Imports Import Cargo Reporting component remains on track for 1 December”

“New overview sessions for importers and managers”

continue through October.

Earlier this month I met with AQIS staff responsible for the ExDoc system. A positive outcome from that meeting was that the AQIS is confident that the infrastructure, connections and testing of the ExDoc/ICS exports system will be completed well in advance of February next year.

Imports

Confirmation today from the Director ICS Transition and Testing that the availability of the test environment for the Imports Import Cargo Reporting component remains on track for 1 December. Testing of this component will allow developers to commence testing the new systems designed to replace Air and Sea cargo automation. It should be noted however, that the 'status' component that provides advice as to the status of a shipment will be not be available until the Import Declarations component is available for testing in 2004

CMR Director Training and Communications recently announced a series of workshops to be held in November and December. I have provided an overview as to the content from the CMR Website.

Firstly overview sessions targeted at Importers will be held titled:

“New import reporting opportunities for importers”

Upon introduction of the ICS, new legislation and new rules will apply that will require businesses to establish new business processes. For example faxed and mailed documentary entries (declarations) will no longer be accepted by Customs. These changes bring with them new reporting opportunities for importers. The ICS will be accessible over the Internet. Importers will be able to lodge import declarations and meet all other Customs import reporting requirements through the Internet.

*To assist importers understand the changes **free** import overview sessions are being held. Topics to be covered include:*

- *communicating electronically with Customs*
- *using the Internet to lodge declarations*
- *changes to current reporting practices*
- *self assessed clearances.*

Other sessions will also be held targeted at managers. These sessions cover:

“Changes to import reporting - Planning for service providers”

*To assist **managers** plan for the import business changes ahead, Customs is holding **free overview** workshops. Topics to be covered will include:*

- *import registration requirements*
- *payments through the ICS*
- *new self assessed clearance requirements*
- *import declaration requirements.*

Details of the session times and venues can be found at the following link:

http://www.customs.gov.au/site/page.cfm?area_id=7&nav_id=979#3

“Industry representatives have given “in principle” support to the thrust of the model”

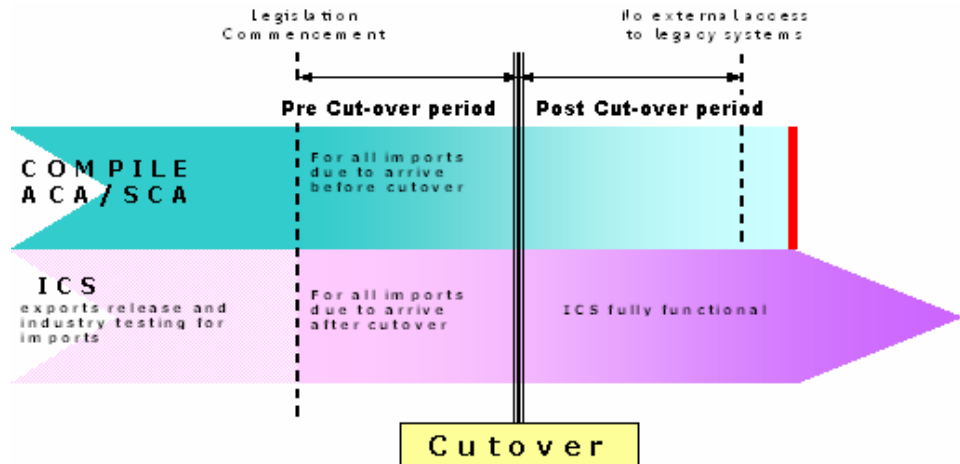
Import Transition Model

Over the past few weeks, I have chaired meetings in Sydney and Melbourne with Customs and industry to discuss the Customs proposed Import Transition Model. This document proposes how industry will migrate from the current Customs IT system to the new ICS systems.

Industry representatives have given “in principle” support to the thrust of the model, subject to submissions to be made regarding several aspects of the model. After consultation with the Director, CMR Process and Implementation Section, it has been agreed to provide a copy of the model in this newsletter for information.

Import Transition Model

The ‘phased-in’ imports transition model is based on production access to the Integrated Cargo System (ICS) being available for a limited period before the designated cutover date. External access to the legacy systems will continue for a limited period after cutover to enable finalisation of entries and reports. The diagram below provides a visual representation of this model. The cutover date provides the basis for determining which system to use for an import transaction during the cutover period.



NOTE: The pre cut-over and post cut-over periods are subject to ongoing discussions with industry

In the past month, Customs has met with industry representatives in Sydney and Melbourne to discuss the draft model. ‘In principle’ agreement has been reached subject to further submissions being made on behalf of industry by the ICS User Representative.

This model will allow industry to lodge import declarations, impending arrival reports and cargo reports for goods due to arrive after the systems cutover date, while maintaining separate reporting between the systems. It recognises that there are legal requirements for early reporting that must be met and provides industry with the opportunity to meet these requirements. It also recognises that while entries must be made when the goods arrive, the legislation also provides that entries may be made before the goods arrive.

Prime Ministerial policy approval will be sought for legislative amendments underpinning the model.

“a dot point summary of matters raised by the ICS Rep that are still outstanding will provided in each newsletter”

The main system rules in the phased-in model are as follows:

- All transactions with an expected date of arrival before the system cutover date must be entered and reported in the current import systems (COMPILE and Sea Cargo Automation (SCA) or Air Cargo Automation (ACA)). All transactions with an expected date of arrival after the system cutover date must be reported and entered in the ICS.
- To facilitate this, the ICS will be available for a period to be determined before the system cutover date.
- To facilitate finalisation of cargo reports and entries, including payment of duty and GST, the legacy systems including COMPILE, SCA and ACA will be available for a further period to be determined after cutover.
- Entries that remain unfinalised at the point that external access to the legacy system is turned off will be treated as if they were made by document enabling Customs to release the goods without the need for system access. It is not envisaged that there will be a large number of entries in this category.
- Also covered are circumstances where a ship or aircraft is due to arrive before but arrives after cutover, and similarly, where a ship or aircraft is due to arrive after but instead arrives before. This will remove the requirement to require the withdrawal and re-lodgement of entries and various cargo reports.
- Excise goods and like-customable goods released from warehouses for home consumption will be dealt with according to the date that the entry is made. If the ICS and the new legislation has commenced then the new system will apply.
- It should be noted that all references to COMPILE, SCA and ACA also include reference to all the subsidiary systems attached to those systems.

Issues Raised with Customs

From time to time, I am contacted by individuals, associations or organisations and asked to raise issues with Customs on behalf of the wider community. After discussion with senior ICS managers, it has been agreed that a dot point summary of matters raised by the ICS Representative that are still outstanding will provided in each newsletter.

Here is the list of issues currently with Customs for a response:

- **Declaration Status for cargo when 'holds' apply**

The questions are:

- 1) Can Customs provide a simple overview on how 'status' will be reported via the Customs Interactive diagnostic facility for a consignment?
- 2) Will the reason for 'cargo' holds be advised as well as the reasons for 'commercial' holds?
- 3) How will the new diagnostic facility compare with the current arrangements for advising status in COMPILE?

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- **Cargo Reporter Responsibilities for reporting 'Ultimate Consignees'**

Question: In the situation where a cargo report does not contain the ultimate consignee, will Customs obtain that information from the import declaration as described in the CMR Business Model?

- **Collection of AQIS Container Fee for Accredited Clients**

Question: Is the AQIS "per-container" fee covered by either the RCR or PD fees? If not, how will the AQIS fees be collected for Accredited Clients?

- **Requested details of the new self assessed clearance requirements**

- **Requested a date to be set aside for a software developers workshop on Import Cargo Reporting**
