



*Five Star Shipping & Agency Company Pty Ltd.*

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## **EU ADVANCE CARGO SECURITY RULES TO BE MANDATORILY IMPLEMENTED FM JAN. 1, 2011**

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The European Union (EU) has announced new advance cargo security rules that are scheduled to take effect for all vessel voyages that begin fm the 1<sup>st</sup> minute of Jan. 1, 2011.

The European 24 Hour Rule requires that the ocean carrier lodges 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.

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 prescribe 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. COSCO will definitely apply this "no documentation- no load" requirement.

The data elements required to be included in the ENS will need to be taken from our master Bill of Lading (B/L). COSCO issues 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 shippers and/or 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.

**Documentation must be received by Five Star Shipping within 1 working day of vessel sailing.** A late FI fee of \$60.00 (plus GST) will apply and any amendments requested after the Documentation Cut Off will be charged \$60.00 (plus GST) per request. It is important that the Shipper provides true and correct information at time of FI being lodged.

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

- Consignor
- Consignee
- Notify Party (mandatory for “To Order” B/L)
- Cargo description and HS code (6 digit 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 (Freight Collect or Prepaid).

COSCO might not accept a plain language cargo description instead of HS codes. This is because several EU Member States have stated that they would 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 shippers and/or 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 thereof.

The Customs authorities will use the 24 hour “window” between filing of the ENS and commencement of vessel loading to assess the risk of shipments. If this risk assessment results in Customs issuing a “Do Not Load”(DNL), we will inform the shipper and/or 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 EU Member States are entitled to establish their own conditions for whether and on what basis, to lift a DNL, so our shipper and/or customers should expect delays in the loading of containers subject to a DNL.

The most efficient way to reduce the likelihood of European Customs authorities issuing DNL is to ensure that the shipping instructions are:

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

We look forward to your cooperation.

If you have any queries please do not hesitate to contact your local Bookings/ Customer Service office.

**Five Star Shipping & Agency Co Pty Ltd as agents for COSCO Container Lines**