

A large passenger airplane is parked on a tarmac. In the foreground, a cargo pallet is visible, loaded with a large, rectangular package wrapped in brown paper and secured with a black netting. The background shows the tail and wing of the airplane, and the sky is a pale, hazy blue.

# WELCOME TO THE

**5<sup>th</sup> IATA-UPU WEBINAR**

**AIRMAIL EXPERIENCE**

**OF EU ICS2 R2**

**18 OCTOBER 2023**

**13:00-15:00 CET**



**UPU** | UNIVERSAL  
POSTAL  
UNION




# Competition Law Guidelines

## Prohibited Agreements and Activities

1. The following types of agreements, whether express or implied, are STRICTLY PROHIBITED:
  - a. Any collective agreement concerning prices to be charged for airline services;
  - b. Any collective agreement allocating markets, territories, customers, suppliers or agents;
  - c. Any collective agreement relating to prices to be paid to suppliers, and any other agreement that is intended to, or that in operation is likely to, harm non-participants, including without limitation any agreement that is intended to, or in operation is likely to, exclude a non-participant from any market; and
  - d. Any agreement that is intended to, or in operation is likely to induce airlines or their suppliers or agents to engage in collective anticompetitive behaviour, or to collectively punish any business enterprise for its exercise of independent business judgment.
  
2. Recognizing that the existence of an unlawful agreement or concerted practice may be inferred from circumstances, including the exchange of information by competitors, discussions or disclosures of the following types of information, are also PROHIBITED, except when such information has otherwise been made public or IATA competition counsel advises that such discussions are legally permissible:
  - a. Individual airline fares, rates, charges or surcharges;
  - b. Individual airline costs;
  - c. An individual airline's intentions regarding increasing, reducing or reallocating aircraft capacity (including entering or exiting routes);
  - d. Information on individual airlines customers; and
  - e. Any other sensitive commercial or proprietary information that the company would not disclose in the absence of an express or implied agreement to exchange such information for the purpose of reducing or restricting competition in the airline industry.

# IATA-UPU WEBINAR

## AIRMAIL EXPERIENCE OF EU ICS2 R2

 Oct 18, 2023 at 13:00 [CET]

Meet the speakers



**Christophe Pereira**

Customs and Supply Chain  
Manager  
(La Poste France / Post Europ)



**Natalia Luescher**

Cargo Offer Management  
(Swiss International Air Lines Ltd.)



**Stephanie Girdi**

Sr. Manager Postal Network  
Optimization & Performance  
(United Airlines)



**Klemen Oven**

Head of Sector – Safety and  
Security Risk Management,  
Analytics and ICS2  
(EU Commission)



**Carlos Lontra**

EAD and Security Project  
Manager  
(Brazil Posts)



**UPU**

UNIVERSAL  
POSTAL  
UNION



**AIRMAIL EXPERIENCE  
OF EU ICS2 R2**

Date: 18th Oct 2023

Time: 1300hr – 1500hr (CET)

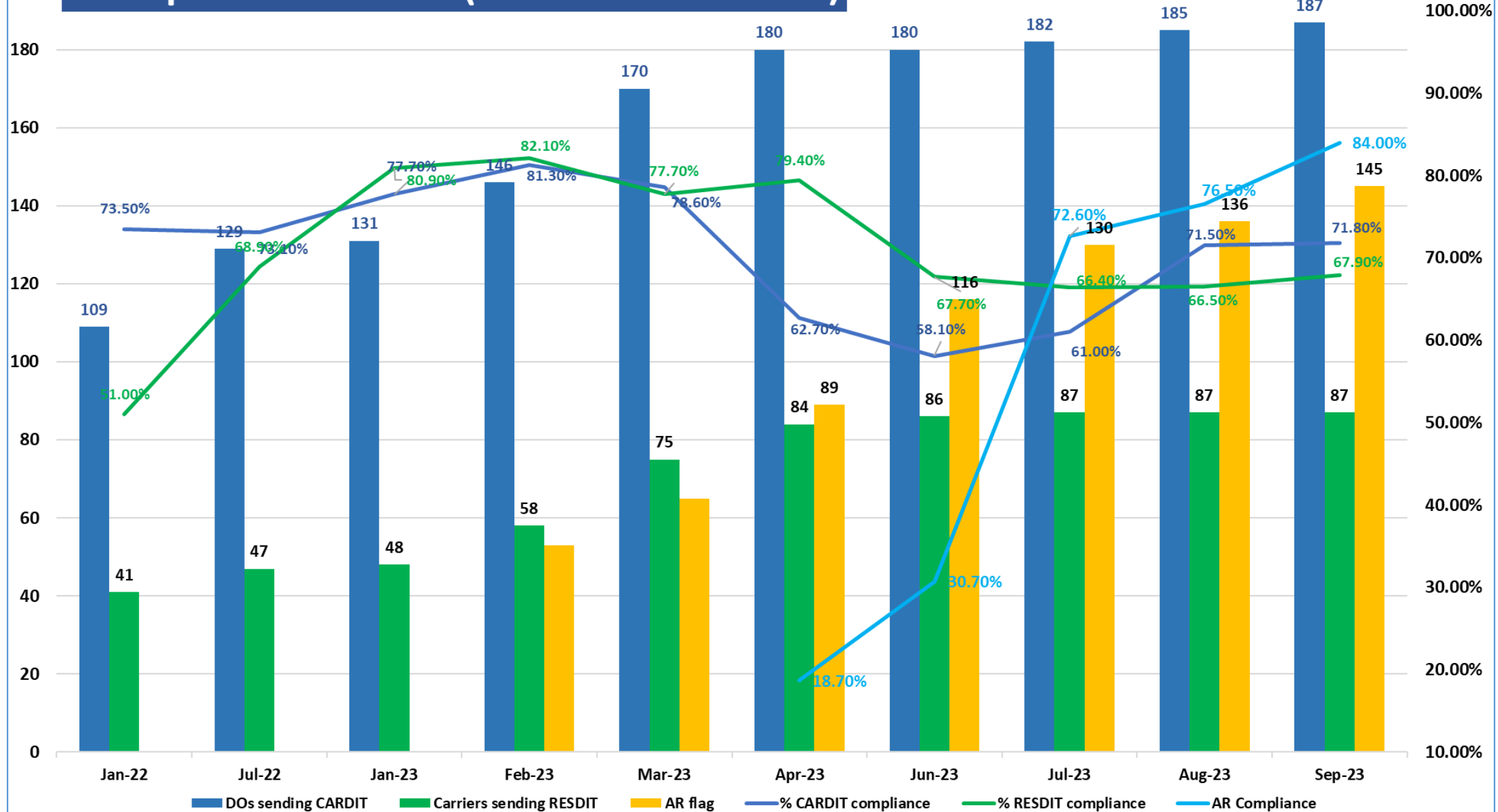
Agenda item(s)	Presenter
1. Welcome and opening	IATA & UPU
2. EU ICS2 from an EU ICS2 carrier 's perspective <ul style="list-style-type: none"><li>Overall readiness (Origin, transshipment &amp; destination stations)</li><li>Challenges &amp; Observations</li><li>Expectations regarding stakeholders to ensure success</li></ul>	Natalia Lüescher (Swiss International Air Lines Ltd.)
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6. EU COM Update – Phase-in Enforcement	Klemen Oven EU DG TAXUD
7. Closing	IATA & UPU

# Introductory remarks by UPU

- **5<sup>th</sup> joint IATA-UPU webinar**
- **500 registrations, 96% evaluated 4<sup>th</sup> webinar as very good/good, >50% min 2 webinars**
- **focus on the EAD/ICS2 implementation status by the carriers, DOs (EU and non-EU), European Commission, IATA and UPU**
- **webinar is a forum for sharing information, not defining processes, protocols and rules**
- **UPU Compliance project – new carriers, reports, indicators**
- **very intensive IATA-UPU cooperation**
- **legal framework proposals**
- **UPU EAD Risk Management Team**



# Transport EAD status (as of October 10th)



# EAD KPI Dashboard

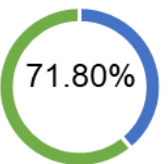
## CARDIT/RESDIT

**186**  
Number of DOs sending CARDIT

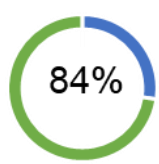
**145**  
Number of DOs sending CARDIT-AR flag

**87**  
Number of carriers sending RESDIT

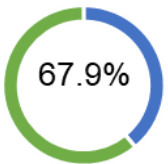
CARDIT Compliance



CARDIT AR flag compliance



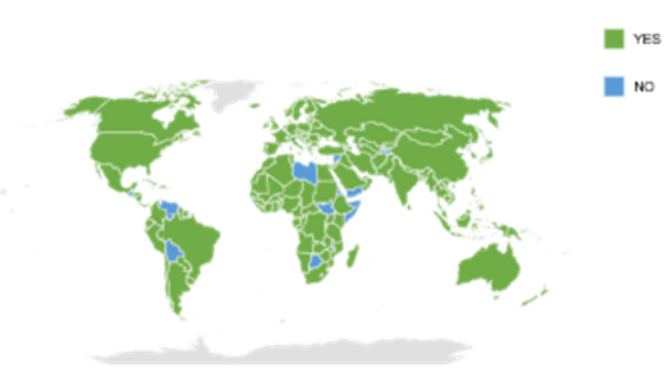
RESDIT Compliance



DOs sending CARDIT with AR flag



DOs sending CARDIT



## ITMATT

**204**  
Number of DOs sending ITMATT

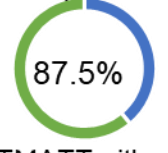
## ITMREF

## General

ITMATT over PREDES



ITMATT Compliance



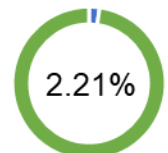
**29**  
Number of DOs sending ITMREF

**98**  
Mandatory EAD countries

ITMATT address quality



ITMATT with no response from ITMREF destination



**130**  
Number of DOs receiving ITMREF

**60**  
Number of DOs signatories to MDSA

### Response time – time between ITMATT and ASC (cumulative)

0 - 2 hrs.	93.20%
2 – 6 hrs.	95.75%
6 -12 hrs	96.04%
12-24 hrs.	96.05%
24-48 hrs.	96.10%
48–72 hrs.	96.17%
72- hrs.	96.36%
No ASC	3.64%

### Percentage last ITMREF responses

EXEMPT	2.4159%
PENDING	0.0074%
ERR	0.9757%
ASC	96.5986%
RFI (unresolved)	0.0023%
RFS (unresolved)	0.00%
DNL	0.00%

# Posts and carriers exchanging CARDIT/ RESDIT messages

## **Posts sending CARDIT (187) by region (109 in January 2021)**

- America: **AR, BO, BR, CA, CL, CO, CR, CU, DO, EC, HN, MX, NI, PA, PE, PY, SV, US, UY** (19)
- Caribbean: **AG, AI, AW, BB, BM, BQ, BS, BZ, CW, DM, GD, GY, HT, JM, KN, KY, LC, MS, SR, SX, TC, TT, VC, VG** (24)
- Arab region: **AE, BH, DJ, DZ, EG, IQ, JO, KW, LB, MA, MR, OM, PS, QA, SA, SD, TN** (17)
- Asia-Pacific: **AF, AU, BD, BN, BT, CK, CN, FJ, HK, ID, IL, IN, IR, JP, KH, KR, LA, LK, MM, MN, MV, MY, NC, NP, NZ, PF, PG, PH, PK, SB, SG, TH, TO, TV, VN, VU, WF, WS** (38)
- Africa FR: **AO, BF, BI, BJ, CD, CF, CG, CI, CM, CV, GA, GN, GQ, MG, ML, NE, SN, TD, TG** (19)
- Africa EN: **BW, ER, ET, GH, GM, KE, LR, LS, MU, MZ, NA, NG, RW, SC, SL, SZ, TZ, UG, ZA, ZM, ZW** (21)
- Europe: **AL, AM, AT, AZ, BAA, BAB, BE, BG, BY, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GE, GI, GR, HR, HU, IE, IS, IT, JE, KG, KZ, LI, LT, LU, LV, MD, ME, MK, MT, NL, NO, PL, PT, RO, RS, RU, SE, SI, SK, TM, TR, UA, UZ** (52)

**Bold:** DOs providing AR flag in CARDIT (145)

Source: UPU (IQRS) and IPC (CAPE)



# Posts and carriers exchanging CARDIT/ RESDIT messages

## **Carriers sending RESDIT (87) (41 in January 2021)**

3S, 5F, 7C, 9U, A3, AA, AC, AF, AH, AT, AV, AY, AZ, B0, BA, BT, BY, CA, CI, CM, CT, CV, CX, CZ, DE, DL, EI, EK, ET, EY, FI, FZ, GB, GG, GM, HA, IB, JL, JU, JX, K4, KD, KE, KL, LA, LH, LO, LX, M6, MH, MK, MS, NH, NZ, OK, OR, OS, OU, OZ, PJ, PO, PS, QF, QR, QT, RC, RJ, RO, SK, SN, SQ, SS, SU, SV, TB, TG, TK, TN, TP, TS, TX, UA, UK, UU, UX, VN, VS

## **Consolidators exchanging CARDIT/RESDIT (2)**

- GATS (GAT11)
- Global Match (CGMA11)

Source: UPU (IQRS) and IPC (CAPE)

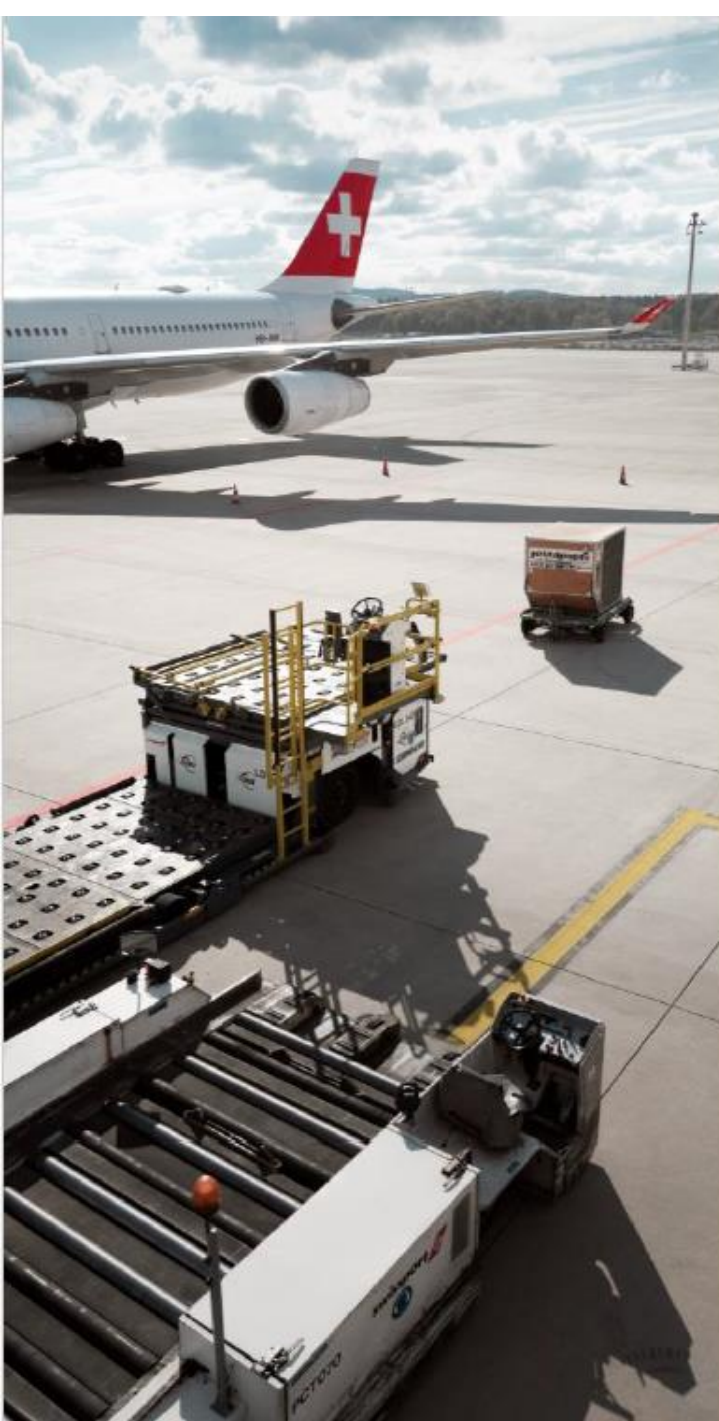


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# 5th IATA-UPU Webinar



18 October 2023

## CHECK IT OUT – Airmail Stakeholders’ Stories of EU ICS2 R2

Natalia Lüscher  
Cargo Offer Management  
Swiss WorldCargo

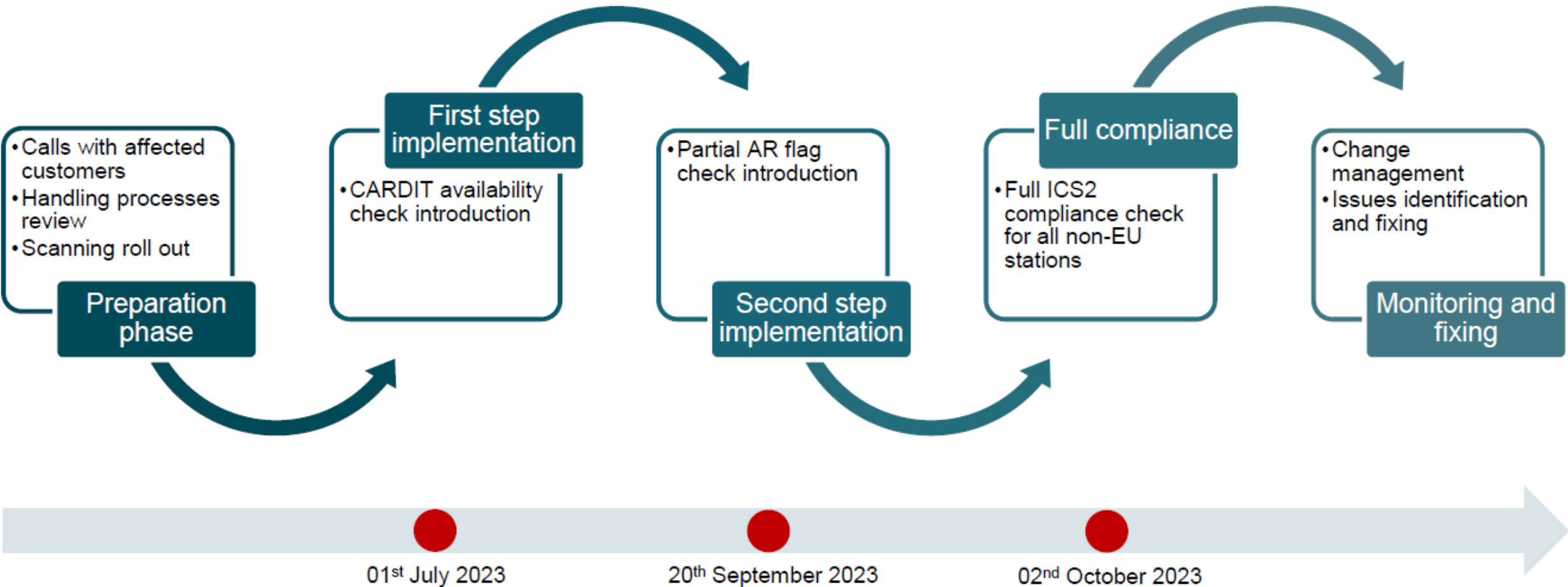


## Overall readiness

**Swiss WorldCargo is fully ICS2 R2 compliant as from 02<sup>nd</sup> October 2023**

# Overall readiness

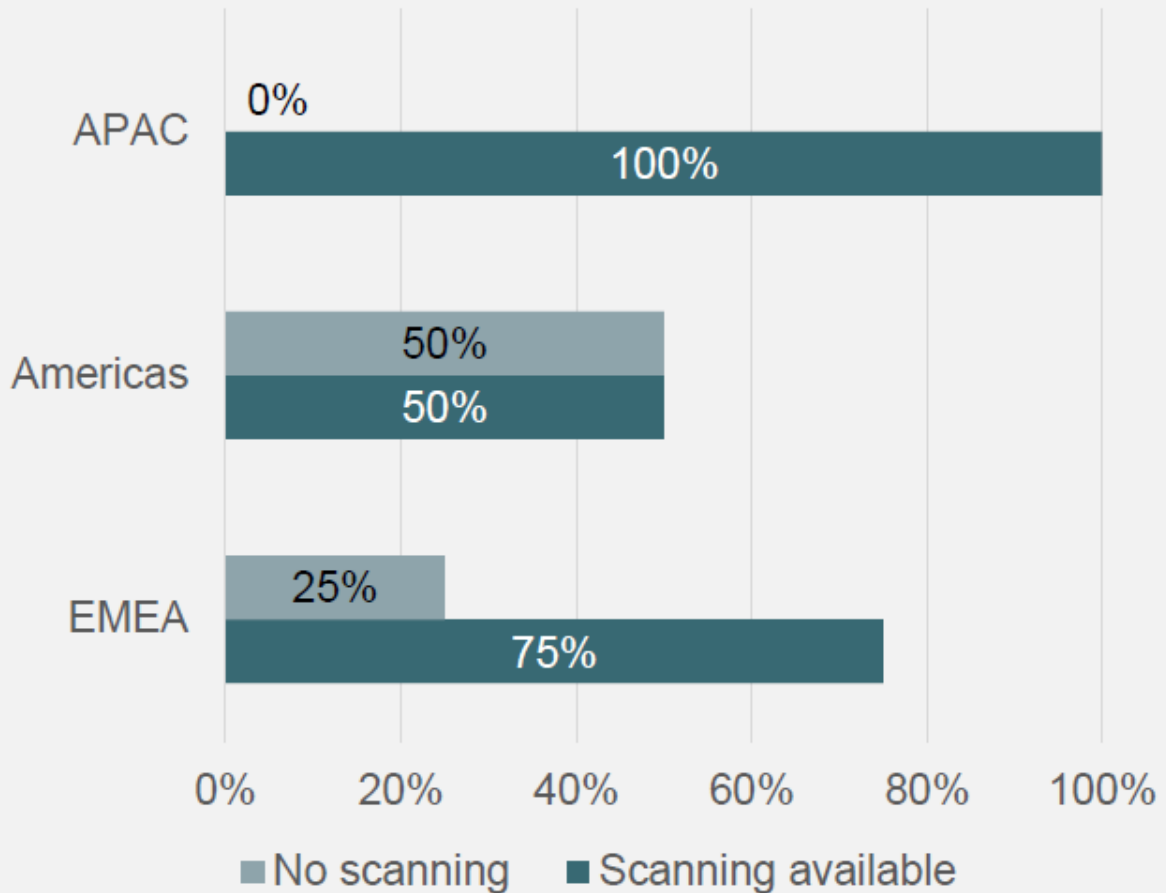
## Implementation timeline



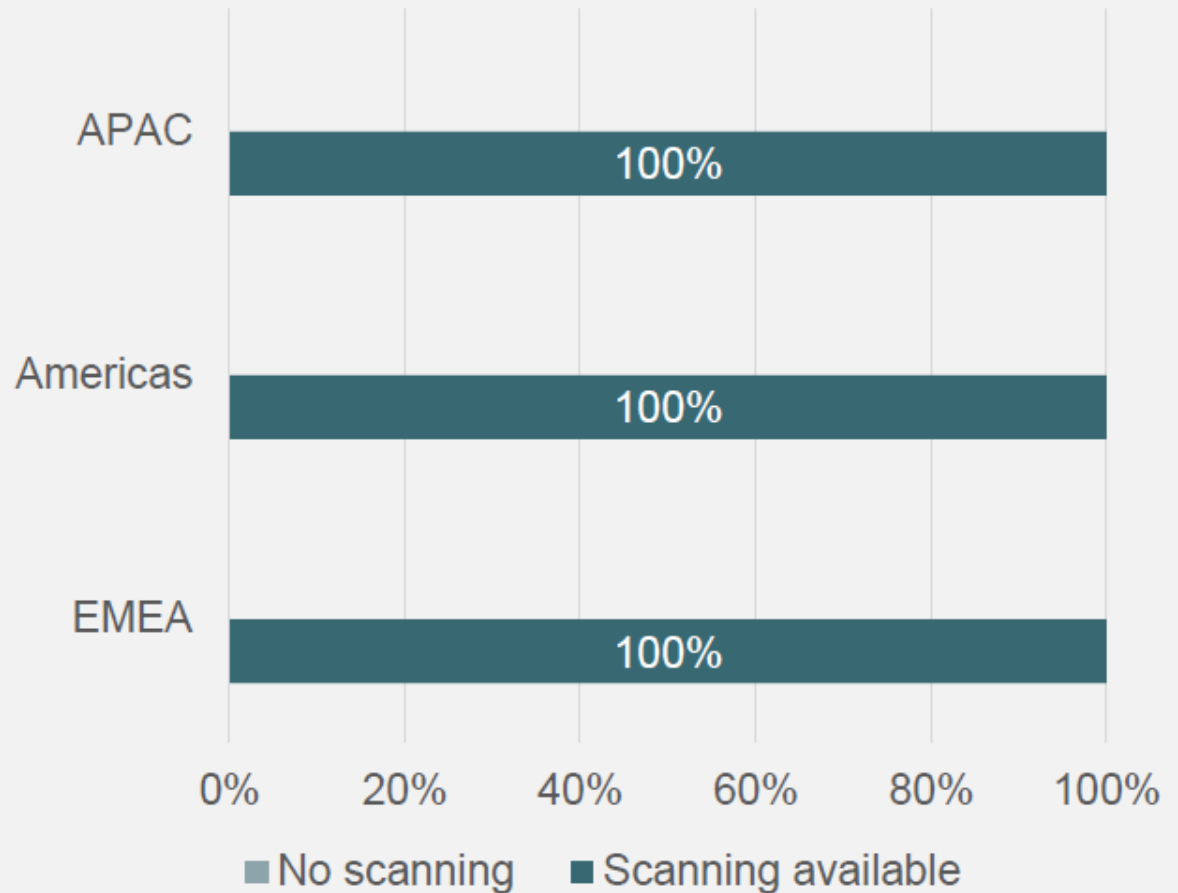
# Non-EU stations readiness

## Export scanning availability

Before 01<sup>st</sup> July 2023



After 01<sup>st</sup> July 2023



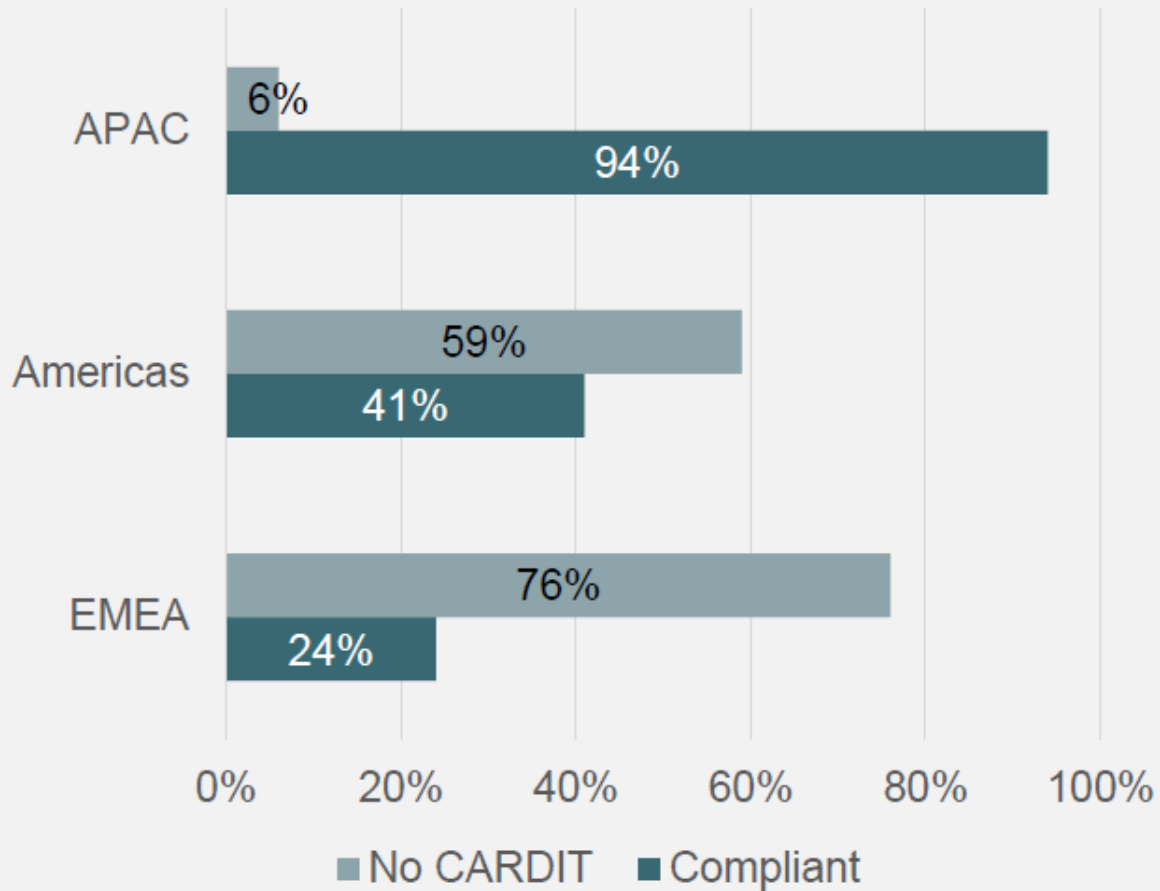
Note: % from total number of non-EU stations opened for export Mail in the region



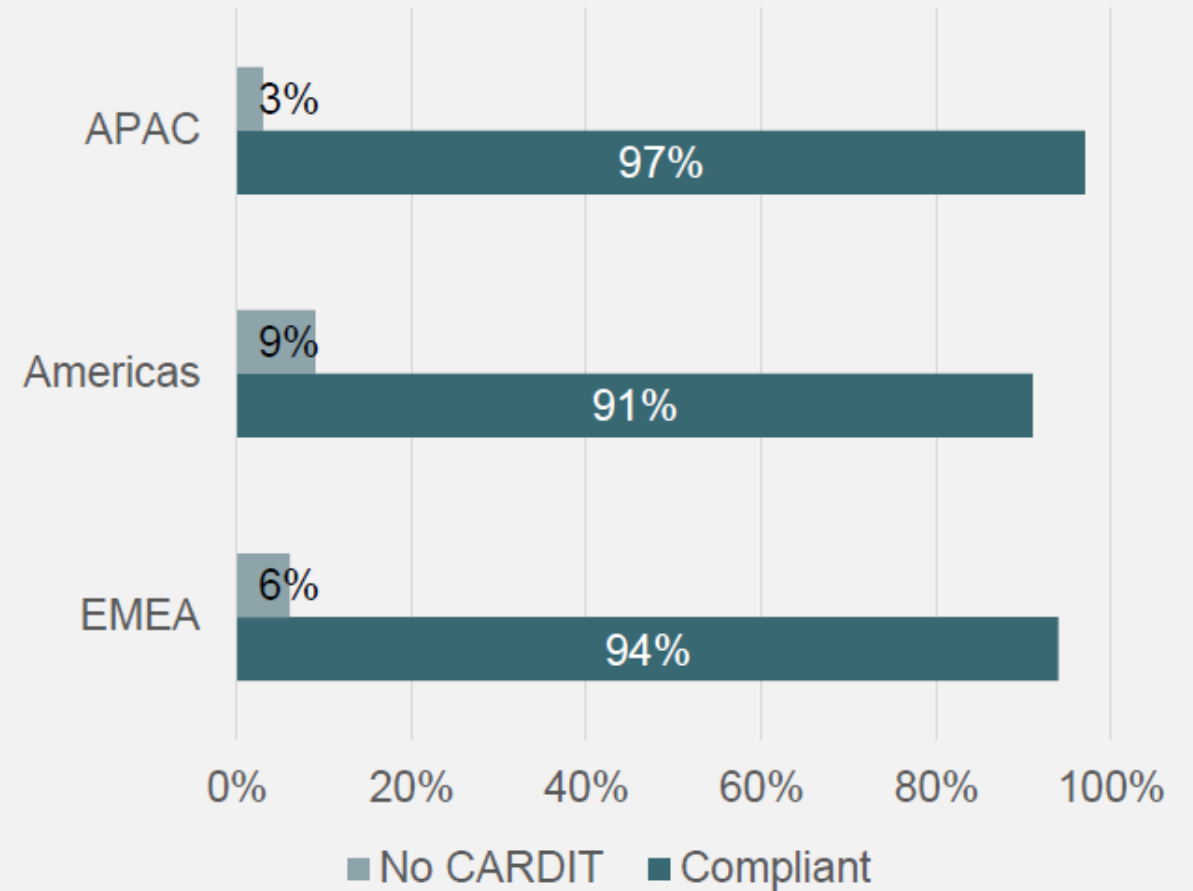
# Customers readiness

## CARDIT and AR flag availability

June 2023



September 2023



Note: % from total number of receptacles transported from non-EU stations in the region

# Challenges and observations

**What issues are we facing?**





# Challenges and observations

## Some insights in our major issues

Swiss WorldCargo is working closely with all stakeholders to make sure all processes and data quality are according to the ICS2 requirements



### Handling

In some cases, handling processes are not adhered to the ICS2 requirements. Monitoring process is in place



### Data Quality

Wrong or incomplete CARDITs create issues during acceptance and customs filling failures



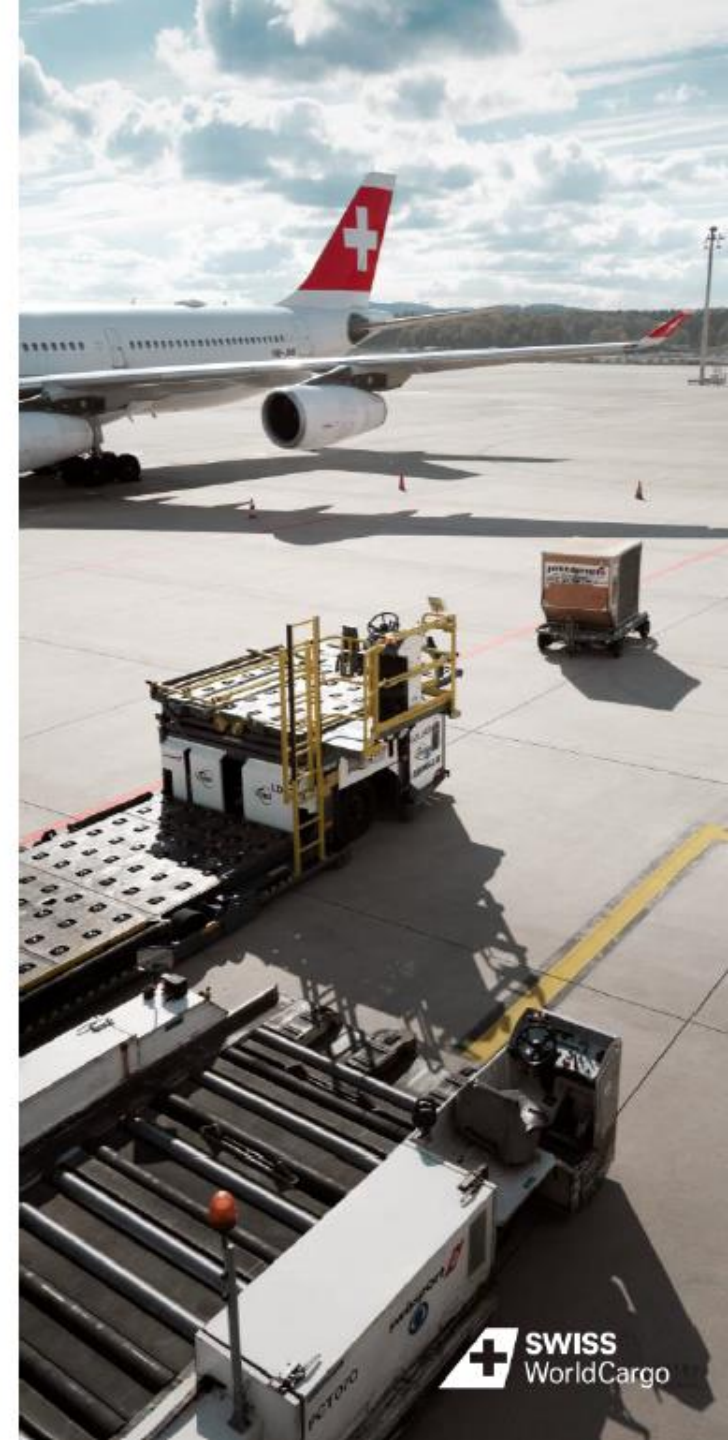
### System

Some system failures were identified during the first week of July. Now all fixed



### Change Management

All stakeholders need reminders, additional trainings and monitoring to make sure ICS2 requirements are fulfilled





**Expectations regarding stakeholders to ensure success**

**Where do we need support?**

# Expectations regarding stakeholders to ensure success

**Regular exchange**



**Improved data quality**



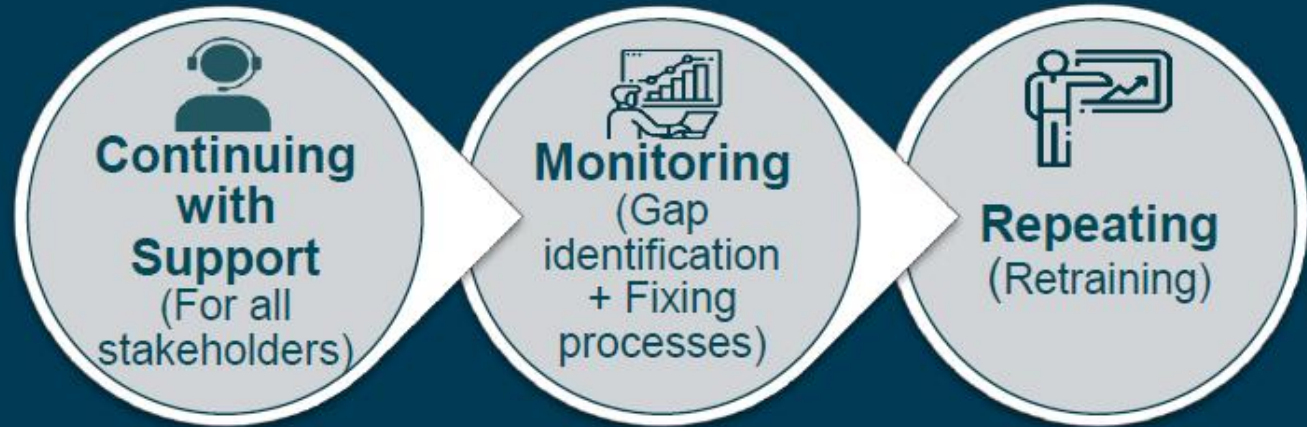
**Adherence to the process**





## Next steps

# What are the actions planned?



# Contact Information

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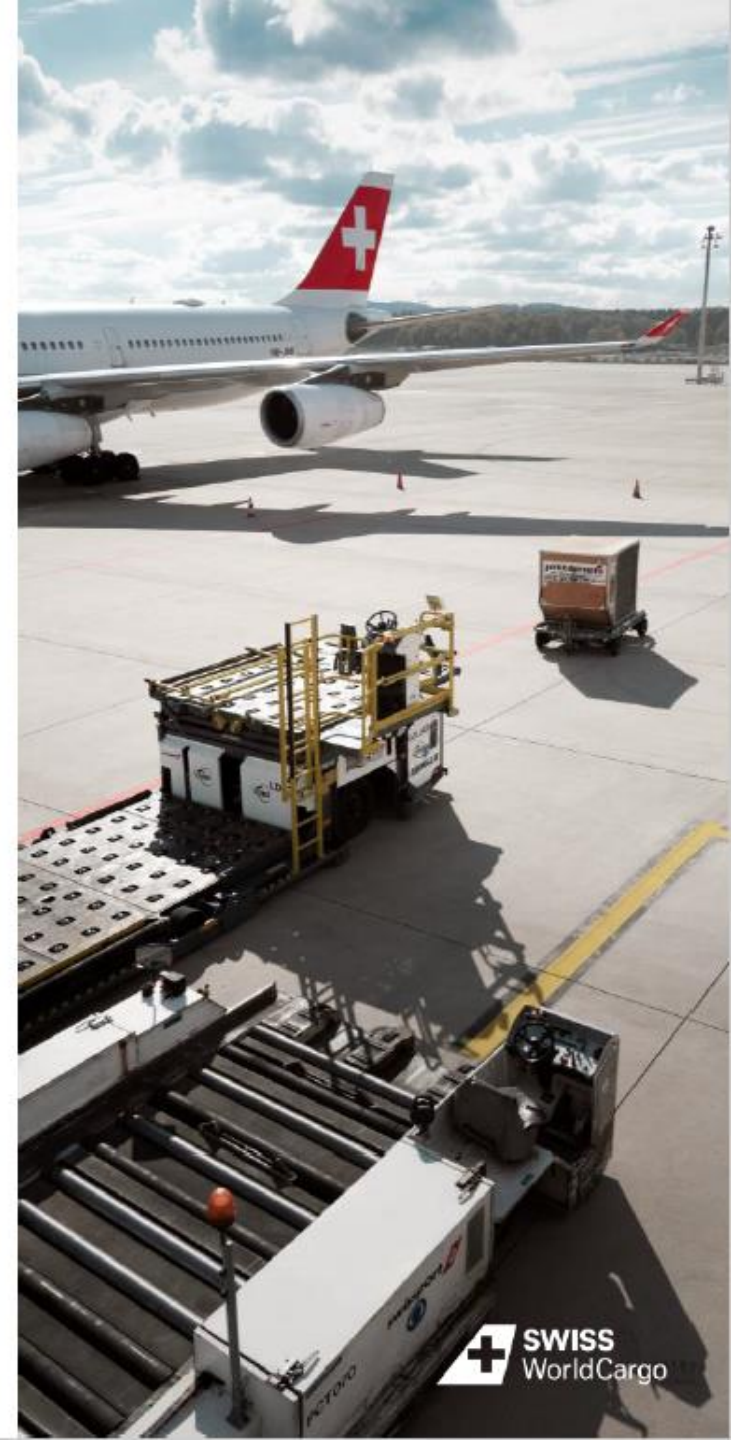
## Natalia Lüscher

Cargo Offer Management  
SWISS Valuables, SWISS Vulnerables, SWISS Mail

Swiss WorldCargo  
Swiss International Air Lines Ltd.  
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+41 44 564 4821

[natalia.luescher@swiss.com](mailto:natalia.luescher@swiss.com)



Thank you



**UNITED**

# 5<sup>th</sup> IATA-UPU Webinar

Stephanie Girdi

Sr Mgr – Postal Network Optimization and Performance

United Airlines

18 October 2023



# Overall Readiness

United is fully ICS2 R2 compliant as of 02 October 2023

- Exception of transshipments (following current guidance)
- Descartes was a great partner and their expertise helped guide us through the process

Timeline:

- Jan 2022
  - ✓ Began preparation to understand the requirements as I had just come into my position
- Remainder of 2022
  - ✓ Began work with Descartes and UA internal scanning team
- Early 2023
  - ✓ Communication with customers on requirements
- July 2023
  - ✓ IT issues identified and resolved (Descartes and UA)
  - ✓ Safety Risk Analysis completed
- August 2023
  - ✓ Scanner enhancement deployed to identify CARDIT & AR Flag
- September 2023
  - ✓ Training of front-line agents
- October 2023 – Full implementation

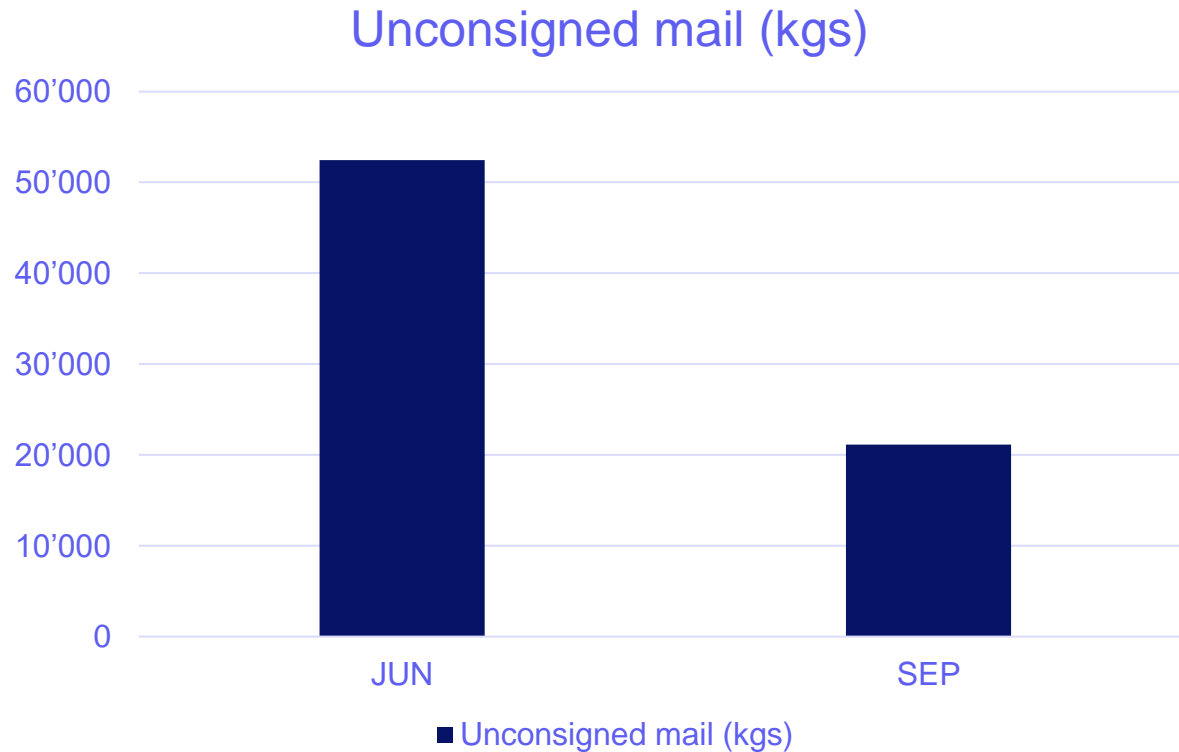




# Customer Readiness

To ensure compliance with ICS2 regulations, a CARDIT validation process needed to be implemented to prevent unconsigned mail being tendered to the carrier.

Posts also seemed to recognize the increased need to provide a CARDIT for all consignments. United saw a 60% reduction in unconsigned mail in Sept 2023 compared to June 2023.

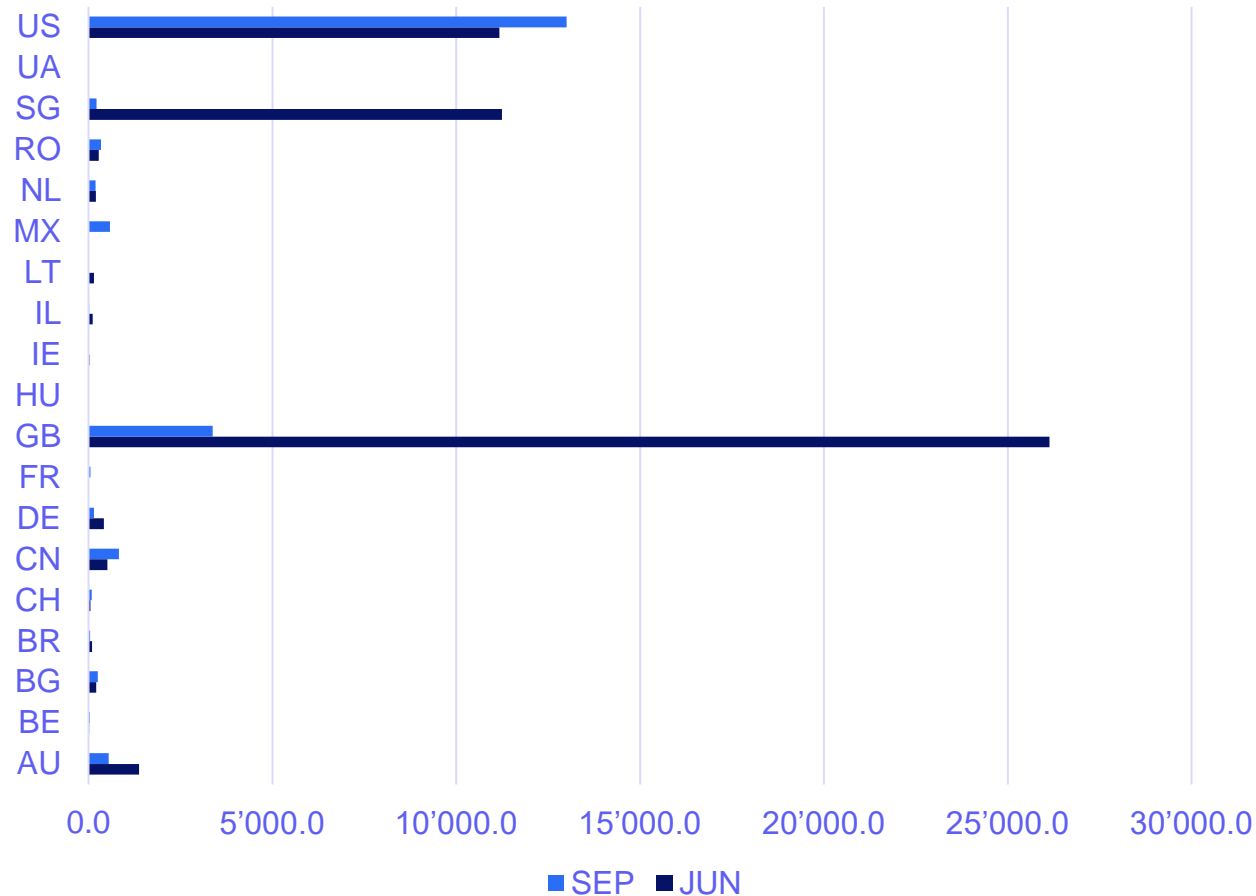


# Customer Readiness

Despite the overall decrease in unconsigned mail, CARDIT compliance still varies by Posts.

United therefore relies on our scanner enhancements to prevent the risk of carrying unconsigned mail, all unconsigned mail is now rejected at origin.

Unconsigned mail by Post (kgs)

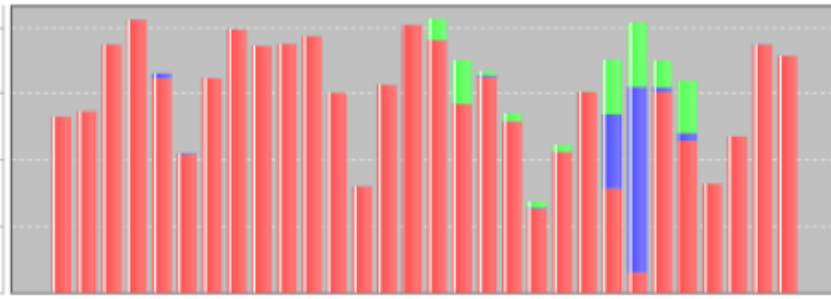


# Customer Readiness

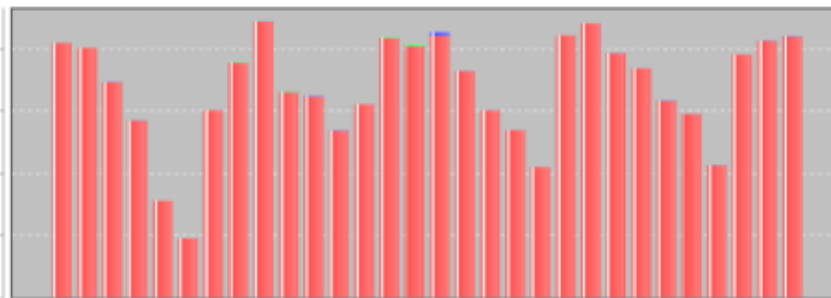
CARDIT timing is also critical as the messaging needs to be received prior to acceptance for AR flag compliance check.

ORD example below from June 2023 compared to Sept 2023

### Cardit Timings - ORD



### Cardit Timings - ORD



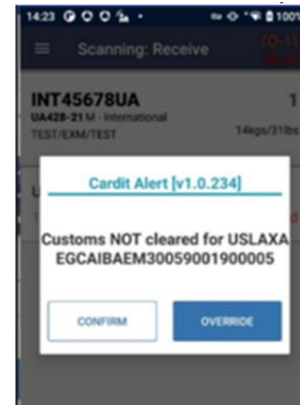
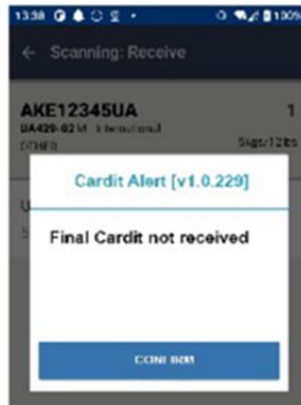
■ On Time ■ Day Late ■ Later



# Challenges and Observations

## System Updates and Data Quality

- Worked with our platform provider (Descartes) as well as our internal scanning app team to ensure all mail had a CARDIT message available as well as AR flag when applicable
- Security filing evolution from cargo to mail did not take into consideration the criticality of the underlying data availability/maintenance requirements
  - Incomplete understanding of what was needed from Post and what they can realistically provide and when
  - UPU Code List 108D not updated for accurate and complete sender/receiver addresses
  - UPU Applicable Regulation identifiers were not clear
- Consignment data issues have primarily been addressed but some continue
  - Timing and availability of consignment data at time of tender
  - No airline segment to identify airline transport for filing
- Military exemptions were announced after scanning enhancements were in place
- Letter class identification – posts are not consistently consigning the appropriate class based on UPU regulations (letter vs parcel)
- Changing deadlines made this difficult as we had to pivot halfway through with IT requirements which were not flexible on timing
- Scanner enhancements



# Challenges and Observations

## Handling Procedures

- The timing of the CARDIT message being received has required additional scanning enhancements
- Ongoing need for manual process – physical form 302 for military mail – no current process (could this be communicated via CARDIT or at least that it exists at some point)
- Some Posts were not aware that Switzerland and Norway required the AR flag until near implementation date

## Communication:

- Lack of communication from the EU as well as transparency/ownership from Posts. Variations between EU customs communicated requirements and local country customs' expectations
- Uncertainty of the penalty process if any of the Posts do not include the required data in the CARDIT message.
- We were at times not aligned with the EU discussions as participants during the IATA-UPU CC meetings, as the topics were export orientated when UA was focused on import

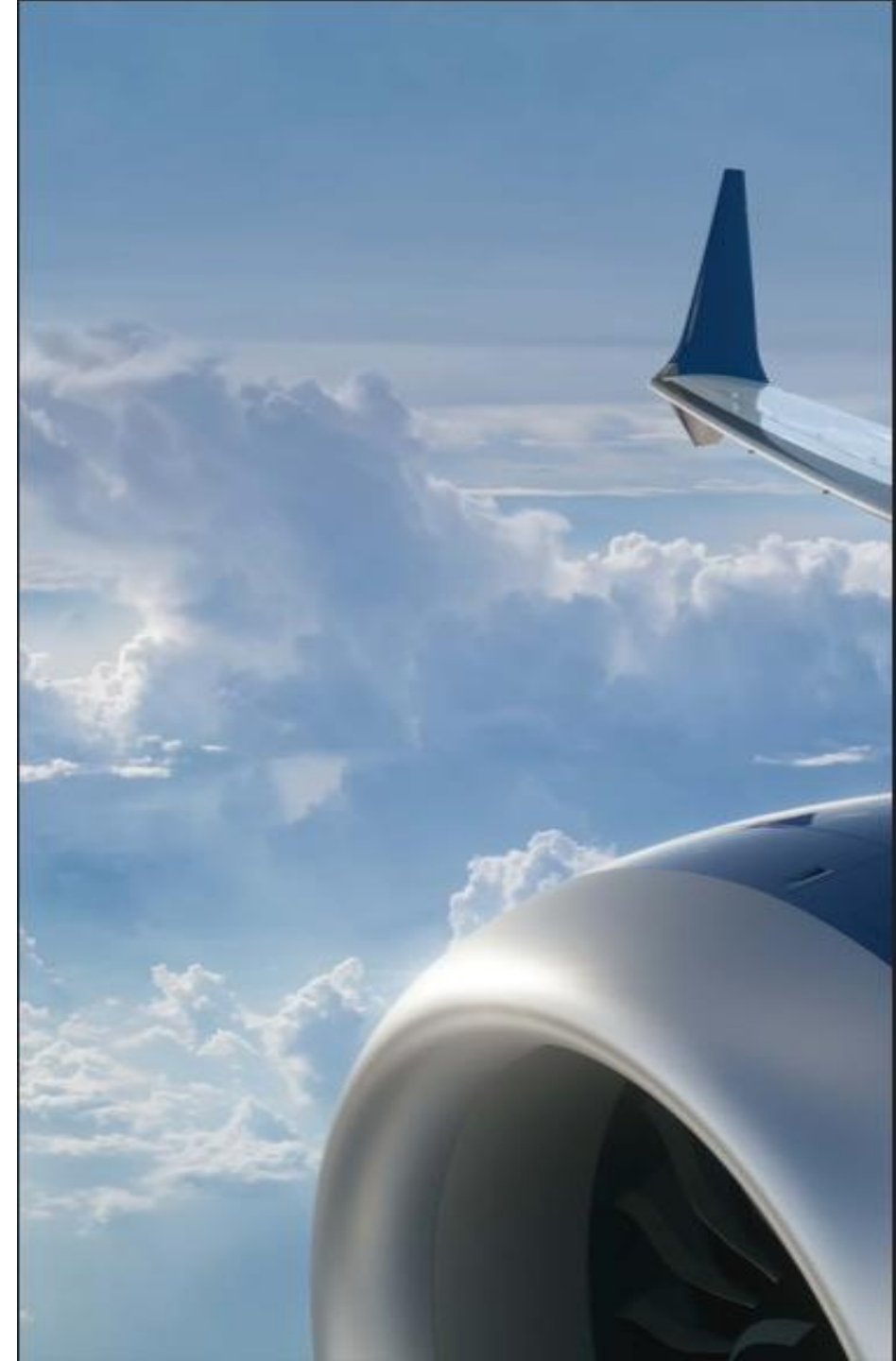
## Training/Implementation

- Due to constant confusion on timelines (and if military would receive a waiver) training on new procedures was difficult for front line agents. Not having full transparency of scope made it difficult and had to be delayed multiple times

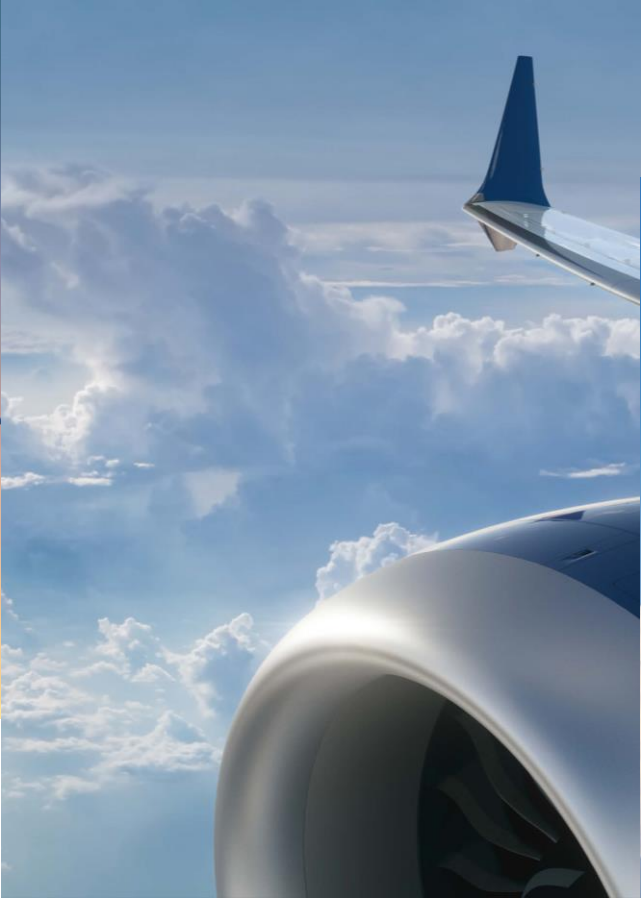


# Expectations for Success

- Timely/Accurate Exchange of Information
- Posts to follow process when it comes to late referrals so appropriate action can be taken. Have received zero late referrals so far.
- Continuous monitoring of data quality and PAWB filing with customs clearance through the Global Security Filing System
- Front line agent process observations and re-training as needed



Thank you



PostEurop<sup>•</sup>

# ICS2 Release 2

## Challenges and way forward from an EU postal operator perspective

IATA - UPU webinar on ICS2

18 October 2023

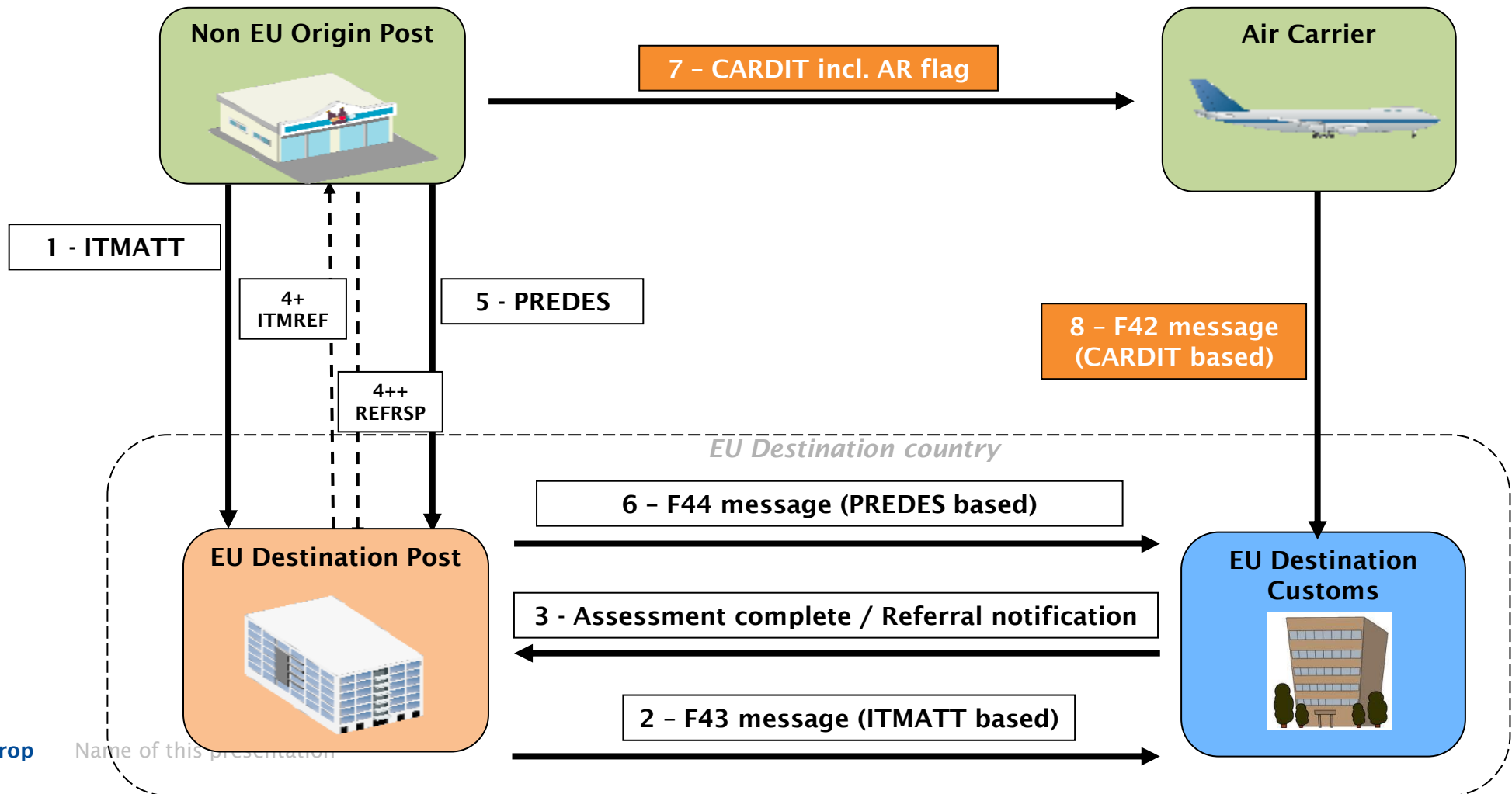
18 October 2023



# ICS2 Release 2 : the full process

- ICS2 Release 2 features**
- Air security and **safety** purposes
  - 7+1 data for all types of goods + **HS codes** for B2C and B2B items
  - **All types of transit including transshipment**

**New requirements from Release 2**



## Effective scenarios since March 2021

Type of mail	Scenarios and <b>entity</b> responsible for <u>item level data</u>
Import mail	Non-EU DO → <b>EU DO</b>
Mail in transit (open or closed transit)	Non-EU DO → Non-EU DO → <b>EU DO</b>
	Non-EU DO → EU DO → <b>EU DO</b>
	EU DO → Non EU DO → <b>EU DO</b>

## New scenarios as of October 2023

Type of mail	Scenarios and <b>entity</b> responsible for <u>item level data</u>
Mail in transit (open or closed transit)	Non-EU DO → <b>EU DO</b> → Non-EU DO
Mail in transshipment	Non-EU DO → <b>?</b> → Non-EU DO

What are the main challenges with Release 2?:

## □ Data quality

- Since march 2021, consignors and consignees names and addresses are the main issues with a focus point on the ZIP code
- **3 additional data elements are required as of Release 2:** 6 digit HS codes, EORI number and the type of person. Even if these data elements are not mandatory from an UPU perspective, do your best to provide them in the ITMATT messages

## □ Treatment of referrals messages

- Around 80 – 90% of referrals messages (ASC messages) are currently sent out within 2 hours
- In exceptional cases, when an IT system outage occurs from postal side or from the EC side, designated operators and airlines are invited to trigger the Business Continuity Plan and to keep mail moving after a certain waiting time (to be defined by carriers and postal operators)

## □ The scope of EU ICS2 is broader than the current UPU Global Postal Model

- ICS2 deals with air security requirements but also with safety requirements which mean that additional controls could be performed by EU customs upon physical arrivals of goods
- Full validation of ICS2 requirements is a prerequisite for postal operators to perform customs clearance process of goods
- **Returned mail and missent mail have to be covered by an ICS2 declaration**

The UPU acts and ICS2 rules have to be aligned. For the moment, transit and transshipment are not included in the EAD Global Postal Model.

ICS2 Release 2 requirements for:

- Open transit services must be covered as of Oct 2<sup>nd</sup> with a transitional period until April 1<sup>st</sup> 2024.
- Closed transit services must be covered as of Oct 2<sup>nd</sup> with a transitional period until April 1<sup>st</sup> 2024.
- Transshipment must be covered as of Oct 2<sup>nd</sup> with a transitional period until April 1<sup>st</sup> 2024

**90% of transit flows shall be covered by an ICS2 declaration by April 1, 2024**, and the remaining 10% by January 1, 2025. National customs authorities should start transit controls only from April 1, 2024.

**What remains to be done to be able to meet the deadlines?:**

- Cooperation between IATA, UPU and IPC is essential to find technical solutions
- Contracts between EU postal operators and non EU postal operators have to be adapted to take into account EAD in transit requirements (Data sharing agreements and service level agreements)
- UPU bodies will continue to work on the potential adaptation of the legal framework

# THANK YOU

**Christophe Pereira – La Poste Groupe**  
Chair of ICS2 sub-group

## PostEurop<sup>•</sup>

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[www.posteurop.org](http://www.posteurop.org)





# 5th IATA-UPU Webinar “Airmail Experience of EU ICS2 R2”

EU ICS2 from a non-EU ICS2 Postal Operator’s perspective

Presentation by a Postal member

BRAZIL

Carlos **Lontra**

IATA-UPU Webinar, 18 October 2023





# Contents

1. Introduction
2. Measures introduced / Preparation
3. What worked better/ didn't work as well?
4. ICS 2 R2: KPI's
5. Challenges & Observations
6. Lessons learned
7. Expected advantages

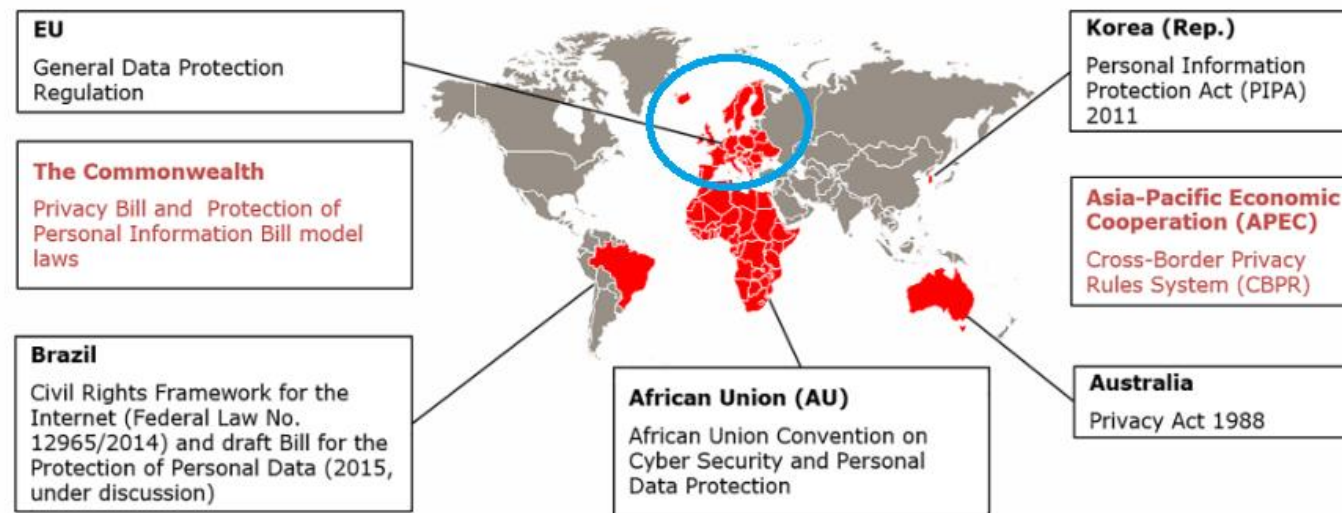




# Introduction - Act now EAD

From January 2021, Electronic Advance Data (EAD) transmission is required for posts to send items around the world. Many posts are already transmitting EAD. Countries around the world now have put in place international legislation and requirements for EAD, including the United States, China, **EU**, Brazil, Russia, and Australia.

And the objective today is to give a presentation of how has been our experience in implementing EAD model with Carriers - ICS 2 compliance (R2).



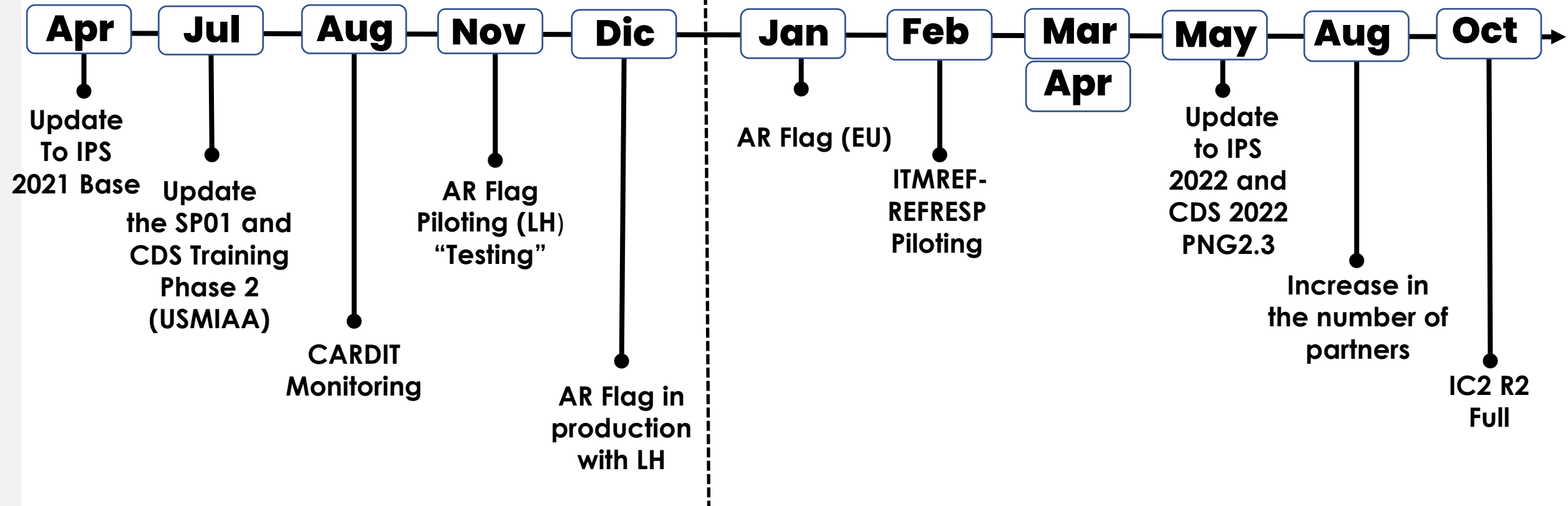
EAD legislation map



# Measures introduced

## 2022

## 2023





# AR Flag: Piloting and Testing

## Postal Operator perspective (Non EU) –

Prerequisites:

EAD Status check: on

Configure the AR Flag

Route - Associate with that AR Flag/CN70

CARDIT 2.1: on

\*ITEMREF-REFRSP

## Postal Operator (EU) perspective

Prerequisites:

\*ITEMREF-REFRSP



## Carrier perspective –

Prerequisites:

Exchange: CARDIT/RESBIT;

CARDIT 2.1



# Preparation - Summary

- UPU Solutions: Update to IPS 2021 SP1 / PNG 2.3 / CDS 2021;
- Advanced Data: Generate/Transmit ITMATT when is posted (CDS);
- Configure the AR Flag in the CARDIT (IPS);
- Associate the transport route with the correspondent AR Flag (IPS);
- Configure the EAD Check for the final PLACI destinations (EU) (IPS);
- Configure - EDI exchanges (M53 ITMREF and M54 REFRSP) (CDS);
- Manage Pending Referrals (CDS);
- Choose Customs (EU) and EDI capable Carrier for piloting;
- Carry out pilot tests and analyse the outcomes to optimize processes;
- Plan to move to production.



# AR Flag: Piloting and Testing

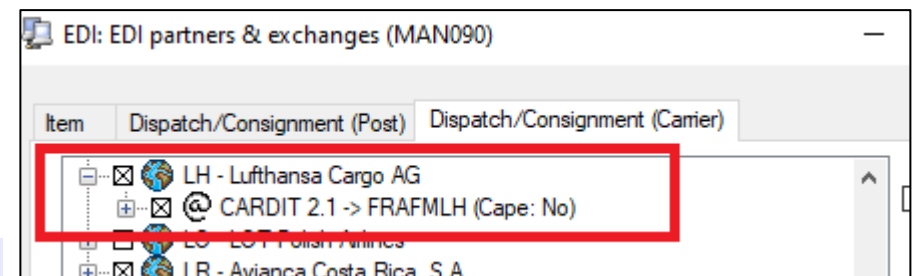
A little more detailing of the CARDIT 2.1 message (M48):

The applicable regulations information message in the CARDIT message contains four mandatory data elements:

- ar-transport-direction; (2-Import);
- ar-border-agency-authority; (CUS-Customs)
- ar-reference-ID; and (“Applicable Security Regulation (M48 format) – Check the list”)
- ar-flag. (1 - All applicable regulations are met for the full consignment)

Example: DE

```
REF TARR, UNRIVE  
REF TARR, DEFRSA  
GOR+2 '  
FTX+REG+++CUS:IMP-DE-20100304-EU185/2010:1 '  
TCC+C '  
EON+32:NMB '
```





## What worked?



- Technical Cooperation
  - Support with PTC/UPU
  - Carrier and Customs;
- Advanced Data: Generate
  - ITMATT when is posted;
- Configure CDS - EDI exchanges
  - (ITMREF-REFRSP, recently);
- Data quality Analizes (CARDIT/ITMATT):
  - \*UPU Compliance Report and QCS Big Data;
- EAD Status Check: 100% ITMATT
- Focus in improve the % of CARDIT transmitted

## What **didn't** work



## as well?

- UPU System: Delay in the upgrade of IPS and CDS systems to their latest version
- Not establishing solid monitoring in our systems routines
- Not working in harmony with the Carriers and Customs



# ICS2 – R2 (From 02/10/2023)

## Affected flows:

- Goods destined to the EU (27 European Union Member States + Switz. + Norway)
- Goods passing through EU\* and destined outside the EU customs security area – in the ‘open’ transit

## Not include:

- Transshipment;
- Closed transit

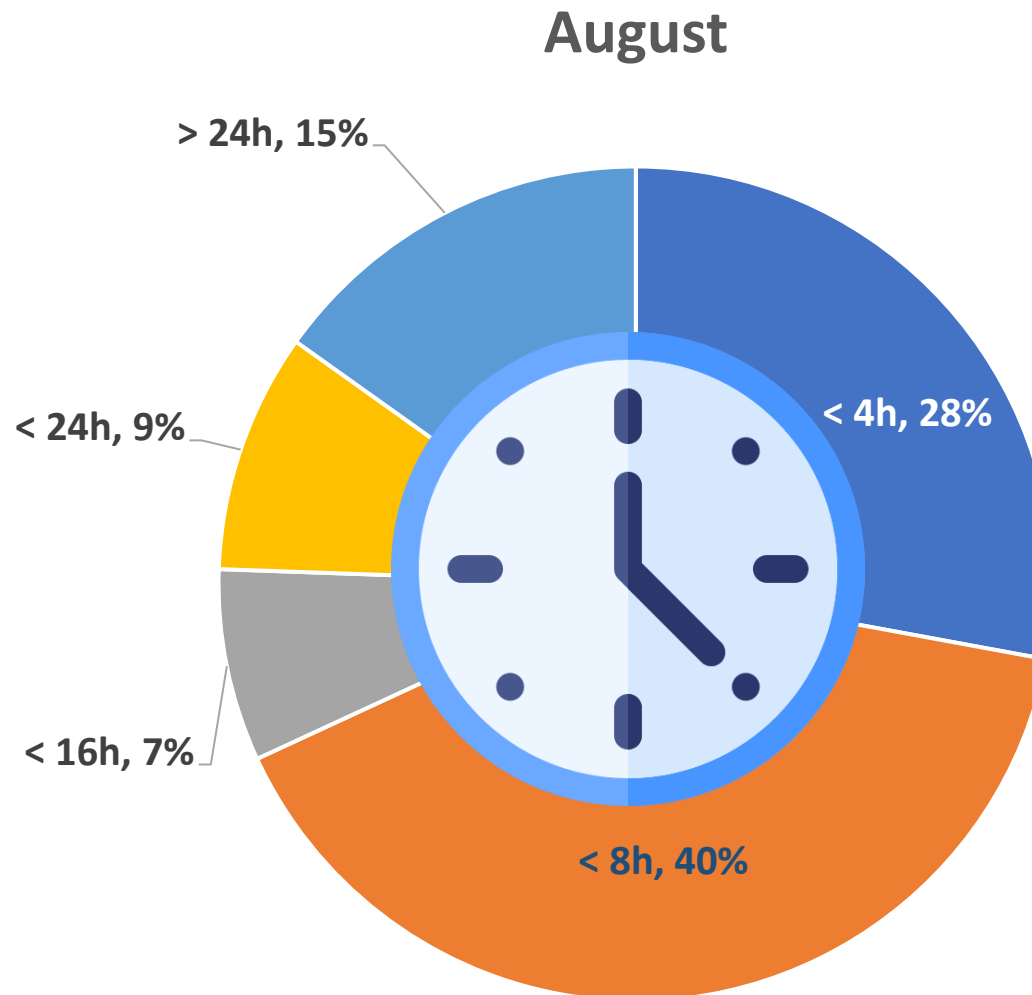




# KPI

ITMATT-ITMREF: 75% <16h (“Global”)

August	OD	< 4h	< 8h	< 16h	< 24h	> 24h	Total
Agosto	ATA	11,67%	60,00%	10,00%	8,33%	10,00%	100%
8	BEA	6,25%	41,67%	8,33%	9,38%	34,38%	100%
	BGA	66,67%	16,67%	0,00%	16,67%	0,00%	100%
	CHA	12,44%	55,08%	9,39%	11,42%	11,68%	100%
	CYA	0,00%	40,00%	20,00%	0,00%	40,00%	100%
	CZA	0,00%	33,33%	0,00%	4,76%	61,90%	100%
	DEA	89,18%	6,08%	4,29%	0,27%	0,18%	100%
	DKA	5,26%	57,89%	13,16%	13,16%	10,53%	100%
	EEA	14,29%	28,57%	0,00%	14,29%	42,86%	100%
	ESA	9,07%	41,48%	7,41%	8,33%	33,70%	100%
	FRA	13,49%	55,43%	6,74%	9,87%	14,47%	100%
	GRA	7,69%	76,92%	3,85%	3,85%	7,69%	100%
	HRA	20,00%	70,00%	0,00%	0,00%	10,00%	100%
	HUA	7,14%	57,14%	28,57%	0,00%	7,14%	100%
	IEA	11,98%	54,38%	9,68%	13,36%	10,60%	100%
	LTA	25,00%	75,00%	0,00%	0,00%	0,00%	100%
	LUA	3,85%	11,54%	3,85%	0,00%	80,77%	100%
	LVA	0,00%	100,00%	0,00%	0,00%	0,00%	100%
	MTA	0,00%	42,86%	0,00%	0,00%	57,14%	100%
	NLA	30,92%	50,24%	3,38%	7,73%	7,73%	100%
	NOA	17,33%	49,33%	9,33%	12,00%	12,00%	100%
	PLA	26,09%	56,52%	2,17%	15,22%	0,00%	100%
	PTA	12,92%	45,82%	9,01%	13,34%	18,91%	100%
	SEA	10,53%	53,95%	9,21%	14,47%	11,84%	100%
	SIA	33,33%	66,67%	0,00%	0,00%	0,00%	100%





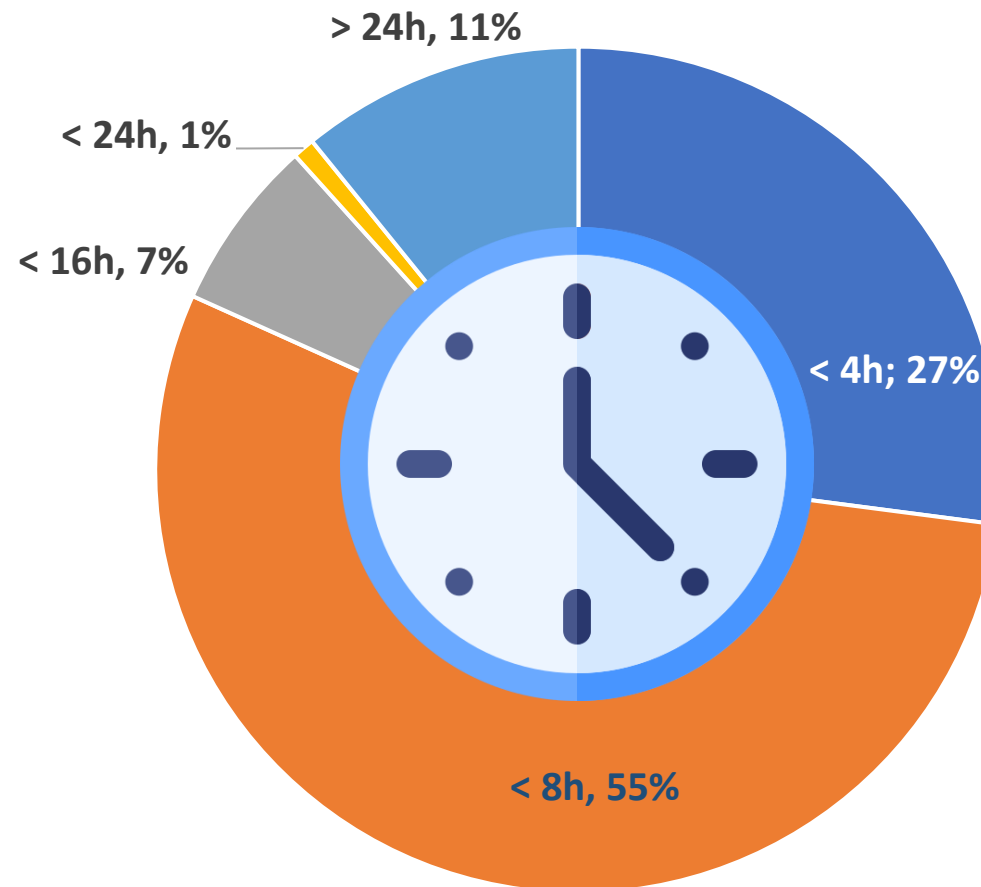


# KPI

ITMATT-ITMREF: 89% <16h (“Global”)

September	OD	< 4h	< 8h	< 16h	< 24h	> 24h	Total
Setembro	ATA	15,12%	66,28%	8,14%	1,16%	9,30%	100%
9	BEA	8,77%	64,91%	7,02%	4,39%	14,91%	100%
	BGA	30,77%	53,85%	7,69%	0,00%	7,69%	100%
	CHA	8,63%	65,49%	14,16%	5,31%	6,42%	100%
	CYA	0,00%	33,33%	33,33%	0,00%	33,33%	100%
	CZA	16,67%	62,50%	4,17%	4,17%	12,50%	100%
	DEA	86,77%	8,88%	3,78%	0,47%	0,09%	100%
	DKA	17,46%	73,02%	9,52%	0,00%	0,00%	100%
	EEA	0,00%	54,55%	9,09%	0,00%	36,36%	100%
	ESA	12,73%	63,41%	5,00%	0,00%	18,86%	100%
	FRA	11,96%	72,97%	8,27%	0,15%	6,65%	100%
	GRA	22,58%	74,19%	3,23%	0,00%	0,00%	100%
	HRA	28,57%	57,14%	14,29%	0,00%	0,00%	100%
	HUA	6,67%	40,00%	20,00%	13,33%	20,00%	100%
	IEA	16,30%	67,04%	14,44%	0,37%	1,85%	100%
	ITA	0,00%	0,00%	0,00%	2,60%	97,40%	100%
	LTA	0,00%	100,00%	0,00%	0,00%	0,00%	100%
	LUA	11,67%	15,00%	10,00%	0,00%	63,33%	100%
	LVA	0,00%	50,00%	50,00%	0,00%	0,00%	100%
	MTA	25,00%	41,67%	16,67%	0,00%	16,67%	100%
	NLA	35,87%	48,88%	6,73%	0,00%	8,52%	100%
	NOA	20,00%	73,33%	3,33%	0,00%	3,33%	100%
	PLA	10,34%	55,17%	18,97%	5,17%	10,34%	100%
	PTA	13,81%	72,83%	4,51%	0,00%	8,85%	100%
	SEA	13,00%	71,00%	10,00%	0,00%	6,00%	100%
	SIA	0,00%	66,67%	16,67%	0,00%	16,67%	100%

## September





# Challenges & Observations

1. Continuous improvement of data quality;

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2. Writing the manual with protocols – “How to manage the referrals (RFI/RFS/DNL/ERR)”;

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3. Operational training “Continuously”;

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4. Review the bilateral agreement (Open Transit);

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5. Operational Planning in the AMU: CARDIT X R74 (Transport);

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6. Deal with multiple ITMREF messages (“Including sequence”);

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7. No ITMREF: RFS/RFI/DNL



# Expectations regarding stakeholders to ensure success

- Carriers and Customs readiness/availability;
- DOs readiness - approach to the postal flows as from 2/10/23;
- Technical Cooperation among the Postal Operators;
- Capacity building;





# Lessons learned

## Operational

- Use EAD Status Check (IPS)
- Improvement of the % of exchanging CARDIT/RESBIT
- CARDIT AR-Flag piloting and implementation
- Continue improving data quality (e.g. Main flight departure date-time before consignment completion date-time, Handover at origin before consignment completion date-time, Transit time too short between two flights)
- How to deal with the referrals (RFI/RFS/DNL/ERR)
- Operational plan: R74 x CARDIT

## Technical

- Future upgrades of UPU systems: (PNG 2.3, CDS 2021, IPS 2021 SP1 – EAD Status Check)
- M48: “Basic knowledge”;
- Handling business continuity scenarios (e.g. downtimes related to ITMREF-REFRSP / No CARDIT)
- Introducing data quality checks in the systems





# Expected Advantages



**Improves data quality** – ITMATT/CARDIT

**Improves security** – it meets the needs of international regulators and governments (Customs)

**Reduces delays** – by improving efficiencies of transportation and customs clearance processes

**Reduces “Being returned” items** – “for not having ITMATT”

**Better service** – improving visibility gives customers peace of mind



**THANK YOU**

# AIRMAIL EXPERIENCE OF EU ICS2 R2 - WHAT IS EXPECTED POST 02/10/23



5<sup>TH</sup> IATA-UPU webinar

18 October 2023

# ICS2 Release 2 objectives

## 1. Air pre-loading risk assessment and mitigation measures:

- A complementary security layer to the existing civil aviation security regime
- Aligned with ICAO-WCO PLACI standards
- focusing on the **aviation security only** and perform air cargo and mail security risk assessments to detect immediate threats (i.e. bringing on board of an aircraft articles that could lead to the destruction of the plane and/or loss of lives)
- using the **mandatory minimum dataset (PLACI)** to be filed in air traffic as soon as possible prior to loading of the goods onto the aircraft in a third country
- Covering **all goods loaded and transported by aircraft to the EU** (including e.g. goods in postal items with destination outside the EU)

## 2. Pre-arrival risk analysis:

- focusing on **safety and security risks** (e.g. narcotics, weapons, environmental crime, dangerous fakes.. thus illicit goods linked to transnational criminality)
- using the **full ENS** (with additional data, e.g. HS6 commodity code)
- Customs risk based controls at the external EU borders



# ICS2 Release 2 – responsibilities for ENS reporting applicable from 2. October 2023

- postal flows, transported by air **destined to** and **transiting** the European customs security area (with a stop), need to be covered with an ENS -> **responsibility of involved EU/CH/NO postal operators to obtain item level EAD for ENS from origin DO.**
- postal flows, transported by air and **transhipped** through the European customs security area (with a stop) need to be covered with an ENS -> **responsibility of involved origin DO and air carriers to agree ENS filing mechanism.**
- **Air carriers** also need to obtain CARDIT to transform data to postal master airway bill ENS filing (covering all postal items containing goods being transported)
- All postal flows entering the European customs security area, transported by air, must be covered by an ENS, from ICS2 R2 on.



# Problem statement

- EU postal operators and air carriers are not in position to submit ENS (PLACI and full) for all goods brought into the EU following entry into application of ICS2 R2 (02/10/23)
- Affected flows:
  - Goods destined to the EU – certain proportion of goods still not covered by ENS although already compulsory by ICS2 R1
  - Goods passing through EU and destined outside the EU customs security area – in the 'open' and 'closed' transit and goods in transshipment
- For transit and transshipment flows – in addition to the legal complexity at the level of the UPU Convention, operational and technical issues still hinder their ability to comply with the EU regulatory requirements
- A common and pragmatic approach was established and agreed with the customs authorities for the initial phase of R2 implementation after 2<sup>nd</sup> October 2023 – phased-in enforcement without authorities imposing sanctions/penalties - in order:
  - to avoid disruption to the international flows of goods in postal consignments, and
  - to give a limited time period to the affected EOs to establish contractual arrangements with the origin posts, as well as technical solution(s) to comply with the UCC – ENS/ICS2 obligations

# ICS2 phased-in enforcement

- **Postal operators and air carriers** providing transit or transshipment services through the European security area will have **to report individually** on the progress regarding compliance to ICS2 R2
- Three sets of progress **delivery milestones**:
  - Data sharing and data requirements: DSA & any agreements: by **22/01/24**
  - IT solution: development & implementation: by **04/03/24**
  - ENS compliance with ICS2 R2 requirements: by **01/04/24** (90% of flows), by **01/01/25** (100% of flows)
- Critical role of the **origin postal operators; and their collaboration** in their interest to work out the solutions with EU posts and air carriers on a voluntary basis, permissible under the UPU framework
- Importance of the UPU IB to facilitate the arrangements; it is interest of the global postal network to have access to all transport and logistics routes

# Subjects of reporting / CARRIER - transshipment

## Data sharing and data requirements

ICS2 R2 - CARRIERS		
DLV ID	Explanatory notes	DEADLINE
ICS2 R2-DSA/AGR-1	<p>Air carriers, transporting postal goods through the EU (with a stop in the EU) – performing postal transshipment, and not involving any EU postal operator, need to identify the non-EU postal operators using their services for such transshipment and approach them to cover legal aspects of new data requirements for postal goods and data exchanges between the origin post and air carrier. It might also happen that no-EU posts decide to file relevant filings itself into ICS2 or filing is performed through its representative. This is to be done using any agreements (including data sharing agreements). The major flows with highest volumes should prioritized and handled first (covering at least 90% of total transshipment flows). The deadline for this activity is set to the end of October 2023.</p> <p><b>Expected outcome: Providing the list of identified origin postal operators using transshipment.</b></p>	30-10-23
ICS2 R2-DSA/AGR-2	<p>Upon the performed activities under 4.1.1. it is expected that until the January 22nd, 2024, 90% of agreements for new data requirements and exchange of data for transshipment flows are concluded between air carriers and origin postal operators.</p> <p><b>Expected outcome: Confirmation of the necessary DSAs/any agreements covering major (approximately 90% of total) transshipment flows have been concluded.</b></p>	22-01-24
ICS2 R2-DSA/AGR-3	<p>Final date for conclusion of any agreements related to data requirements and exchange of data for the purpose of postal transshipment is set to April 1st, 2024.</p> <p><b>Expected outcome: Confirmation that the necessary DSAs/any agreements covering all transshipment flows have been concluded.</b></p>	01-04-24

# Subjects of reporting / CARRIER - transshipment IT solution

ICS2 R2 - CARRIERS		
DLV ID	Explanatory notes	DEADLINE
ICS2 R2-IT SUP-1	<p>Air carriers, transporting postal goods through the EU (with a stop in the EU), need to identify the provider (its own solution or external provider) of IT development or upgrades of the existing IT systems that need to be done, to be able to receive transshipment data and to transform those data into relevant ENS filings. It might also happen that no-EU posts decide to file relevant filings itself into ICS2 or filing is performed through any representative or any IT provider. This activity must be concluded by November 27th, 2023, and reported to by the carrier.</p> <p><b>Expected outcome: Communicating the identity of the provider for IT development/upgrade.</b></p>	27-11-23
ICS2 R2-IT SUP-2	<p>IT development activity to cover transshipment postal flows has to be finalised by February 19th, 2024. This time limit should be sufficient to modify/develop/upgrade necessary functionality, since no major IT developments are needed, taking into the account the existing ICS2 solutions and connections.</p> <p><b>Expected outcome: Confirmation of completion of IT development/upgrade activity.</b></p>	19-02-24
ICS2 R2-IT SUP-3	<p>The connectivity of the carrier's IT system with the ICS2 system and other functionalities must be tested and the end date for this activity is set to March 4th, 2024.</p> <p><b>Expected outcome: Completion of the connectivity (if applicable) and functional test of the filer's IT system with the ICS2.</b></p>	04-03-24

# Subjects of reporting / CARRIER - transshipment ENS compliance with ICS2 R2 requirements

ICS2 R2 - CARRIERS		
DLV ID	Explanatory notes	DEADLINE
ICS2 R2-GEN.COM-1-T	<p>Under this report item it is expected that air carriers, transporting postal goods through the EU (with a stop in the EU), provide estimation (in %) of overall ENS compliance (only in relation to transshipment flows). It is of outmost importance that at least 90% of postal transshipment flows are covered with complete ENS until April 1<sup>st</sup>, 2024.</p> <p><b>Expected outcome: Confirmation of at least 90% of total postal transshipment flows are covered by the ENS.</b></p>	01-04-24
ICS2 R2-GEN.COM-2-T	<p>This report item is reserved to be reported only in exceptional cases, when the partner of an air carrier is a post from less developed country, which needs longer time for digitalization and adjustments of systems for data collection and the later exchanges of those data with the EU.</p> <p><b>Expected outcome: Confirmation of compliance with the ENS obligations for all transshipment flows.</b></p>	01-01-25
ICS2 R2-GEN.COM-3-all	<p>Under this report item it is expected that air carriers, transporting postal goods into or/and through the EU (with a stop in the EU), provide estimation (in %) of overall ENS compliance (in relation to all postal flows: regular + transit + transshipment). It is of outmost importance that at least 90% of all postal flows are covered with complete ENS until April 1st, 2024. , and it is expected that within this share, regular postal flows into EU/CH/NO are covered 100%</p> <p><b>Expected outcome: Confirmation of at least 90% of all postal flows are covered by the ENS.</b></p>	01-04-24
ICS2 R2-GEN.COM-4-all	<p>This report item is reserved to be reported only in exceptional cases, when the partner of an air carrier is a post from less developed country, which needs longer time for digitalization and adjustments of systems for data collection and the later exchanges of those data with the EU.</p> <p><b>Expected outcome: Confirmation of compliance with the ENS obligations for all postal flows.</b></p>	01-01-25

# Bi-weekly progress reporting & monitoring

- Phased-in period should be finished (in general) by the 1<sup>st</sup> April 2024.
- Major postal transit and transshipment flows through EU need to be covered, expected fulfillment of at least 90% of transit and transshipment postal flows by that date. EU destined flows to be covered 100% by that date.
- For the remaining flows and only under exceptional circumstances (e.g., origin partner in the postal transit/transshipment flow is an EO (e.g., post) from a least developed country) the phase-in can be prolonged (for the remaining at the most 10% of flows) until at latest by 1<sup>st</sup> January 2025.
- First reporting deadline: 30/10/2023

# Thank you



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# THANK YOU!

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