



## External Release Notes 15.4.01

### Purpose

The scheduled date for Integrated Cargo System (ICS) release 15.4.01 (C482608) is 3 June 2015.

These notes are designed to provide plain English description of the following change with the aim of providing a better understanding of what has been fixed and how it might relate to ICS business processes.

### Change Items

#### **C453652 – CTO Underbond Rule Changes**

##### **Background**

The sequencing and timing of some Air Underbond Movement Requests (UBMRs) for consolidated cargo within the Integrated Cargo System (ICS) has been causing problems for both CTOs with multiple premises and freight forwarders alike. Currently when these problems occur it requires industry to manually intervene in an automated process causing delays and confusion within the import cargo supply chain, impacting on industry, consumers and the operational effectiveness of regulatory agencies.

The majority of import air cargo is reported as consolidations which are broken down at a freight forwarder's premise. Freight forwarders can lodge UBMRs to move the consolidations from the on-airport CTO to their depot premise well in advance of aircraft arrival. Where this is done it prevents the CTO operator from lodging a subsequent UBMR to move the cargo between its on-airport and off-airport premises.

As the current process is not fully automated often there is confusion as to the exact physical location of the cargo. To resolve this confusion, the CTO needs to manually advise the freight forwarder of the location of the cargo for collection. In many cases, the freight forwarder needs to amend its original UBMR, quoting the correct originating and/or release premise.

The inability of the Australian Customs and Border Protection Service (ACBPS) and Department of Agriculture (DoA) to identify the exact location of import cargo due to movements between CTOs is a risk to both organisations. It is imperative that ACBPS and DoA maintain control over import cargo and the movement of that cargo.

## Solution

Release 15.4.01 contains changes that will enable air CTOs to meet their legislative obligations under the Customs Act 1901. The change will provide a window for air CTOs to lodge an UBMR to move cargo between their on/off Air CTO premises despite the existence of another UBMR for the same cargo by a freight forwarder.

## Changes

Currently the ICS does not allow the existence of two UBMRs for the same Unique Cargo Line (UCL) moving from the same originating establishment. This change will allow the CTO to lodge a movement (CTO) UBMR, for a Master Air Way Bill (MAWB) in specific circumstances, despite the presence of a freight forwarder's deconsolidation (DCL) UBMR. When processed, the CTO movement (CTO) UBMR will be approved despite being lodged after an approved DCL UBMR for the same UCL.

This change involves the introduction of new business and UBMR processing rules in the ICS. These new rules include:

- Notifying the freight forwarder that a CTO has lodged an UBMR that is overriding or 'trumping' their existing UBMR;
- The freight forwarder then needing to withdraw their UBMR and lodging a new UBMR to move the cargo to their premises.
- The freight forwarder receiving a status message that captures the destination establishment ID quoted in the CTOs approved UBMR.
- Depending on the freight forwarder's software they may be able to automate the new UBMR lodgement process.
- It is envisaged that the CTO will be able to 'trump' a freight forwarder's UBMR up until 60 minutes prior to the scheduled arrival time of the aircraft as identified in the Air Impending Arrival Report (AIAR).

There will be no structural changes to EDI messages resulting from this change. There will, however, be an update to two 'Customs code lists', Request Reason Code and Underbond Notice Type. Industry software developers for affected clients will need to update their software and/or systems to utilise the new 'CTO' Request Reason type and to cater for the 'Underbond Override' Notice Type when it is transmitted by the ICS. Details of the updated Customs code lists will be published in an updated Software Developers Guide (SDG). The SDG documents the changes and actions required by software developers to incorporate the solution into their systems. The SDG has been circulated to all software developers. This has provided time to make necessary changes prior to 15.4.01 being deployed into the Industry Test environment on 28 April 2015.

The following are requirements that have been used in the solution to allow the movement of cargo between CTOs establishments in the same port and may provide further clarity on the change:

- A CTO UBMR can override an existing DCL UBMR for the same line of cargo.
- Only a DCL UBMR can be overridden.
- Only a CTO UBMR from the CTO quoted on the Impending Arrival can override the DCL UBMR.

- In the case where the DCL UBMR is overridden the freight forwarder will be notified that a CTO UBMR has been lodged and has overridden or 'Trumped' their existing DCL lodgement.
- This will in turn set the freight forwarders DCL UBMR back to a "terminating" status. It will never approve.
- The freight forwarder can withdraw their 'trumped' DCL UBMR.
- Once the CTO UBMR is approved the freight forwarder will receive a status message that captures the destination establishment quoted on the CTOs approved CTO UBMR.
- Depending on the freight forwarder's software they will be able to automate the new DCL lodgement process based on the newly identified destination establishment as above.
- The CTO will be able to override a freight forwarder's DCL UBMR up until 60 minutes prior to the scheduled arrival of the aircraft as identified in the Air Impending Arrival Report.

### **Affected Parties**

This change is restricted to **air cargo**. All parties involved in the reporting and clearance of air cargo will either directly or indirectly benefit by this change. The main affected parties are air CTOs that move cargo between their establishments in the same port. Freight forwarders that move cargo from air CTOs for deconsolidation to their own premises are also affected.

### **Change Benefits**

This change will allow CTOs to organise freight movements and deliveries between their "on airport" and "off airport" facilities as CTO UBMRs between their establishments will take systemic precedence over existing freight forwarder DCL UBMRs to another off site depot. This presents a substantial reduction in duplicated effort, cost and complexity. The CTO will not have to wait on the freight forwarder withdrawing the deconsolidation UBMR, before the CTO gets the opportunity to lodge an UBMR. The new functionality will allow the timely movement of cargo between a CTO's establishments (in the same port) and compliance with ACBPS legislative requirements regardless of another party's request to move the cargo from the discharge CTO.

Inquiries concerning this notice may be directed to Customs Information and Support Centre mailbox [cargosupport@customs.gov.au](mailto:cargosupport@customs.gov.au) or telephone number 1300 558 099.