The reporting requirements for the movement
of transhipment cargo.
(February 2008)

SUBJECT:	**The reporting of transhipment cargo through the Integrated Cargo System (ICS).**
PURPOSE:	To clearly define the reporting requirements for transhipment cargo to establish nationally consistent requirements and responsibilities for owners, cargo reporters, depot operators, cargo terminal operators (CTOs), and freight forwarders.
OWNER:	National Director Cargo
CATEGORY:	Operational

The electronic version published on the intranet is the current Practice Statement.

SUMMARY OF MAIN POINTS

This Instruction and Guidelines document provides procedural guidelines for the handling and reporting of transhipment cargo when it is incorrectly reported, changes are made to the character of the cargo, or it moves from the place of discharge. The aim is to provide a nationally consistent expectation for industry to report and handle the transhipment of cargo through Australia. This Instructions and Guidelines document supplements information available in Practice Statement '*Cargo Clearance - Imports*'.

This Instructions and Guidelines document addresses the different types of circumstances where cargo may be transhipped and articulates the reporting requirements each of the following situations:
- for cargo that has been reported to be discharged at an Australian port but is intended to be transhipped through Australia;
- for transhipment cargo that is to be repacked prior to export;
- for transhipment cargo that arrives in Australia in parts and is consolidated into a single consignment for export;
- for transhipment cargo that is intended to be exported as ships stores / spares;
- for transhipment cargo that is moved from the air to sea environments (or visa versa); and
- in-transit cargo that, for whatever reason, is discharged at an Australian port.

INTRODUCTION

When it is intended for cargo to arrive in Australia it must be reported electronically to Customs under section 64AB of the *Customs Act 1901* ('the Act'). A report under this section of the Act is called a cargo report, and is made to Customs through the Integrated Cargo System (ICS). When a cargo report is submitted to Customs showing the cargo has a discharge port as an Australian port, but the destination port is not an Australian port, the ICS recognises that ultimately the cargo is destined for a place outside Australia. The ICS assigns the cargo report transhipment status, and will automatically generate a Transhipment Number.
Note: When cargo has an overseas port discharge and destination ports, and the cargo is not moved off the ship or aircraft carrying the cargo, this is considered 'in-transit' cargo.

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A cargo report may also be given transhipment status by a reporter submitting an UnderBond Movement Request (UBMR) in the ICS. When an UBMR is submitted for cargo the ICS examines the reason for the underbond movement in the 'request reason' field. If the UBMR has 'transhipment' (TSH) as the request reason and quotes an overseas destination port, the ICS recognises that ultimately the cargo is destined for overseas, even if the corresponding cargo report has not nominated an overseas destination port. The ICS then assigns the cargo report transhipment status and automatically generates a Transhipment Number once the UBMR is approved.

A Transhipment Number is a valid Customs Authority Number (CAN) for the purposes of export and must be quoted in an export manifest.

Customs recognises that there are circumstances where the movement of transhipment cargo is complicated by the repacking, consolidation, or other handling of the cargo while it is in Australia. In such circumstances it is important for the goods to remain under Customs control. Therefore they can only be moved to a depot licensed under section 77G of the Act to hold goods under Customs control. It is important that accurate records are kept of the movement of the cargo. This includes correct reporting of the cargo movements in the ICS by the Cargo Terminal Operators (CTOs), cargo reporters and depot operators participating in the movement and handling of this cargo. Physical access to transhipment cargo by the owners and/or their agents (excluding shipping/airline/freight forwarding agents) is not permitted unless written permission has been granted by the appropriate Regional Director of Customs.

The following Instructions and Guidelines articulate the various circumstances where cargo may be transhipped through Australia and sets out how Customs considers cargo should be reported through the ICS to correctly report the transhipment process. This paper is intended to only cover the reporting requirements once the cargo arrives and is discharged in Australia, and ends at the reporting of the cargo on the Export Main Manifest. This Instruction is intended to ensure a nationally consistent approach to reporting of transhipment cargo that can be applied by both industry and Customs.

INSTRUCTIONS AND GUIDELINES

1. **The reporting requirements for cargo that is to be transhipped that has been reported with an Australian destination port**

It is the intention of the owner for cargo to be transhipped through Australia. When the cargo arrives in Australia a cargo report is submitted showing the destination as an Australian port. This may be because the cargo reporter is not aware that the cargo is intended for an overseas destination, because the cargo is being exported by another carrier, or because the cargo has been on-sold to an overseas consignee.

Scenario 1
The cargo is to arrive at one CTO, and to be exported through another CTO without being repacked.

Reporting Requirements for Scenario 1:
1. The cargo is discharged at the arriving CTO and an outturn report or Progressive Discharge Report is submitted to acknowledge receipt of the cargo.

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2. An UBMR is submitted to move the cargo to the exporting CTO for the purposes of 'transhipment'. This is where the overseas destination of the cargo is reported.
3. When the UBMR is approved transhipment status is assigned to the cargo report and a Transhipment Number is generated.
4. Once the cargo arrives at the exporting CTO an outturn report is submitted to acknowledge receipt of the cargo.
5. The cargo is reported for export on an export manifest by quoting the Transhipment Number.

Scenario 2

- The cargo is to arrive at, and to be exported from the same CTO.

Reporting Requirements for Scenario 2:

1. The cargo is discharged at the arriving CTO and an outturn report or Progressive Discharge Report is submitted to acknowledge receipt of the cargo.
2. The cargo report is amended to show the destination port as the overseas port, which then generates the Transhipment Number.
3. The cargo is reported for export on an export manifest by quoting the Transhipment Number.

Where any party involved in the reporting and movement of transhipment cargo are experiencing difficulties with the amendment of cargo reports, Customs expects that those in difficulty would contact the Customs Information and Support Center in the first instance.

2. The reporting of transhipment cargo that is to be repacked prior to export *(applicable to containerised sea cargo only)*

Scenario 1

- Cargo arriving into Australia shows the destination as a place outside Australia in the cargo report, and is reported as a Full Container Load (FCL) container.
- The cargo will be repacked under Customs control prior to export.
- The cargo will be exported in different container(s) to the one in which it was originally imported in.

Reporting Requirements of Scenario 1:

1. The container is discharged at the arriving CTO and a Progressive Discharge Report is submitted by that CTO to acknowledge receipt of the container.
2. An UBMR is submitted to move the container to a section 77G depot for the purposes of 'movement'.
3. When the UBMR is approved the container is moved underbond to the specified section 77G depot. The depot operator submits a "receipt" outturn report to acknowledge receipt of the container. This acquits the UBMR.
4. The container is unpacked then the cargo repacked into the new container(s) at the same section 77G depot.
5. The container is reported for export on a sub-manifest covered by a Consolidation Reference Number (CRN) by quoting the Transhipment Number[1] as the CAN. Once the CRN has a "CLEAR" status and when the container is required for loading for export, the

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[1] Once a Transhipment Number has been quoted on an export main manifest it is only valid for thirty (30) days. After this time the Transhipment Number has '*Expired – Carrier Manifest*' status and can not be used again.

new container can be moved to the exporting CTO / stevedore. An underbond movement request is NOT required for this movement.

6. The container is received by the exporting CTO. To address export requirements a CTO Receival Notice is submitted to acknowledge receipt of the container for export.
7. The container is reported for export on the Export Main Manifest by quoting the CRN on the Export Main Manifest.

Scenario 2

- Cargo arriving into Australia shows the destination as an Australia port in the cargo report, and is reported as a Full Container Load (FCL) container.
- The cargo will be repacked under Customs control prior to export.
- The cargo will be exported in different container(s) to the one in which it was originally imported in.

Reporting Requirements of Scenario 2:

1. The container is discharged at the arriving CTO and a Progressive Discharge Report is submitted by that CTO to acknowledge receipt of the container.
2. An UBMR is submitted to move the container to a section 77G depot for the purposes of 'transhipment'. This is where the overseas destination of the cargo is reported.
3. When the UBMR is approved the container is moved underbond to the specified section 77G depot. The depot operator submits a "receipt" outturn report to acknowledge receipt of the container using the original details. This acquits the UBMR. As a result of the approved UMBR the Transhipment Number is generated.
4. The container is unpacked then the cargo is repacked into the new container(s) at the same section 77G depot.
5. The container is reported for export on a sub-manifest covered by a CRN by quoting the Transhipment Number as the CAN. Once the CRN has a "CLEAR" status and when the container is required for loading for export, the new container can be moved to the exporting CTO / stevedore. An underbond movement request is NOT required for this movement.
6. The container is received by the exporting CTO. To address export requirements a CTO Receival Notice is submitted to acknowledge receipt of the container for export by quoting the CRN.
7. The container is reported for export on the Export Main Manifest by quoting the CRN on the Export Main Manifest.

Scenario 3

- Cargo arriving into Australia shows the destination as a place outside Australia in the cargo report, and is reported as part of a Less than Container Load (LCL) container.
- The cargo will be repacked under Customs control prior to export.
- The cargo will be exported in a container different to the one in which it was originally imported in.

Reporting Requirements of Scenario 3:

1. The container is discharged at the arriving CTO and a Progressive Discharge Report is submitted by that CTO to acknowledge receipt of the cargo.
2. An UBMR is submitted to move the container to a section 77G depot for the purposes of 'deconsolidation'.

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3. When the UBMR is approved the container is moved underbond to the specified section 77G depot. The depot operator submits a "receipt" outturn report to acknowledge receipt of the container using the original details. This acquits the UBMR.
4. The cargo is unpacked, and an "unpack" outturn report is submitted to reflect the unpacking.
5. The cargo for transhipment is then repacked into a different container at the same section 77G depot.
6. The cargo is reported for export on a sub-manifest covered by a CRN by quoting the Transhipment Number(s) as the CAN. Once the CRN has a "CLEAR" status and when the container is required for loading for export, the new container can be moved to the exporting CTO / stevedore. An underbond movement request is NOT required for this movement.
7. The container is received by the exporting CTO. To address export requirements a CTO Receival Notice is submitted to acknowledge receipt of the container for export by quoting the CRN.
8. The cargo is reported for export on the Export Main Manifest by quoting the CRN.

3. The reporting requirements for transhipment cargo that arrives in Australia in parts and is consolidated into a single consignment for export *(applicable to air cargo only)*

Scenario

- Cargo arriving in Australia shows the destination as a place outside Australia in the cargo report. As a result the cargo report is assigned transhipment status and a Transhipment Number is generated.
- The cargo arrives in Australia as a series of part shipments or separate consignments.
- It is intended that the cargo will be repacked and exported as a single consolidated consignment.

Reporting Requirements:

1. When each part shipment or separate consignment is discharged at the arriving CTO an outturn report is submitted to acknowledge receipt of that cargo.
2. An UBMR is submitted to move the cargo to a section 77G depot for the purposes of 'movement'.
3. When the UBMR is approved the cargo is moved underbond to the specified section 77G depot. The depot operator submits an outturn report to acknowledge receipt of the cargo.
4. The cargo is repacked into a single consignment at the section 77G depot.
5. The cargo is reported for export on a sub-manifest CRN by quoting all the Transhipment Numbers as the CANs.
6. Once the CRN has a "CLEAR" status and when the container(s) are required for loading for export, the consignment can be moved to the exporting CTO. An underbond movement request is NOT required for this movement.
7. The cargo is received at the exporting CTO. To address export requirements a CTO Receival Notice is submitted to acknowledge receipt of the cargo for export by quoting the CRN.
8. The cargo is reported for export on the Export Main Manifest by quoting the CRN.

4. The reporting requirements of cargo that is intended to be used as stores / spares for a ship on an international voyage

Cargo arrives in Australia and is intended for use of as stores or spares in the service of a ship on an international voyage. The cargo report shows an Australian port as the destination port.

Scenario 1

The goods moved utilising electronic reporting to Customs.

Reporting Requirements for Scenario 1:
1. The cargo is discharged at the arriving CTO and an outturn report is submitted to acknowledge receipt of the cargo.
2. The shipping line or their authorised agent submits an UBMR to move the cargo to a CTO in the required port. In the UBMR the overseas destination of the ship is reported and the purpose of the underbond is 'transhipment'. This is where the overseas destination of the cargo is reported. As a result the cargo report is assigned transhipment status and a Transhipment Number is generated.
3. When the UBMR is approved the cargo is moved underbond to the specified CTO. The depot operator submits an outturn report to acknowledge receipt of the cargo using the original details.
4. When the goods are required, a request to load goods (other than cargo) form is submitted to Customs. All applications to load ships stores (other than cargo) must be made to Customs using the 'Request to Load Goods (Other Than Cargo) onto Ship' (Form 43). The Transhipment Number is quoted on the Form 43 as the CAN.
5. Once the Form 43 has been approved the goods are moved to the ship for export.

Scenario 2

The goods are moved using paper reporting to Customs where the cargo and the ship are arriving at the same CTO.

Reporting requirements for Scenario 2:
1. The cargo is discharged at the arriving CTO and an outturn report is submitted to acknowledge receipt of the cargo.
2. When the goods are required a request to load goods (other than cargo) is submitted to Customs. All applications to load ships stores (other than cargo) must be made to Customs using the 'Request to Load Goods (Other Than Cargo) onto Ship' (Form 43).
3. Once the Form 43 has been approved the goods are moved to the ship for export.

4. The reporting requirements for transhipment cargo that is being exported via alternative mode of transport

Scenario

Cargo arrives in Australia and is intended to be transhipped via an alternative mode of transport. For example – the cargo arrives as air cargo, and is intended to be exported as sea cargo.

Reporting Requirements:
1. The cargo is discharged at the arriving CTO and an outturn report is submitted to acknowledge receipt of the cargo.

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2. An UBMR is submitted to move the cargo to the exporting CTO for the purposes of 'transhipment'. This is where the overseas destination of the cargo is reported. As a result of the UBMR the Transhipment Number is generated. (Note: The UMBR is submitted to cover the move the cargo *to the CTO*, not to for the movement of the cargo out of Australia.)
3. When the UBMR is approved the cargo is moved underbond to the specified CTO.
4. The receiving premise submits an outturn report to acknowledge receipt of the cargo using the original details[2].
5. The cargo is reported for export on an Export Main Manifest by quoting the Transhipment Number.

6. The reporting requirements for in-transit cargo that is unexpectedly required to be discharged at an Australian port.

Scenario

Cargo is on board a vessel that has an overseas destination and port of discharge. For unexpected reasons the cargo is unloaded at an Australian port. This may be because either the contents or container are damaged, or some other misadventure.

Reporting Requirements:
1. The cargo report is amended to show the Australian port of discharge. A Transhipment Number will be generated as the destination port remains an overseas port.
2. The cargo is discharged at the arriving CTO and an outturn report is submitted to acknowledge receipt of the cargo.
3. If a preliminary visual inspection at the wharf is required, the relevant party should advise Customs as soon as possible.
4. When exported the cargo is reported for export on an Export Main Manifest by quoting the Transhipment Number.

Where any party involved in the reporting and movement of transhipment cargo are experiencing difficulties with the amendment of cargo reports, Customs expects that those in difficulty would contact the Customs Information and Support Center in the first instance.

7. The reporting requirements for transhipment cargo being moved between two different CTO premises.

Cargo arriving in Australia shows the destination as a place outside Australia in the cargo report. As a result the cargo report is assigned transhipment status and a Transhipment Number is generated.

Reporting Requirements:
1. The cargo is discharged at the arriving CTO and an outturn report or Progressive Discharge Report is submitted to acknowledge receipt of the cargo.
2. An UBMR is submitted to move the cargo to the exporting CTO for the purposes of 'movement'.
3. Once the cargo arrives at the exporting CTO an outturn report is submitted to acknowledge receipt of the cargo.

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[2] If the receiving CTO does not have the electronic system capacity to receive unsolicited messages for air cargo moved underbond to its premise this can be achieved by using the Customs Interactive (CI).

4. The cargo is reported for export on an export manifest by quoting the Transhipment Number.

RELATED POLICIES AND REFERENCES

PRACTICE STATEMENTS

- *Cargo Clearance – Imports*
- *Cargo Clearance – Exports*

KEY ROLES AND RESPONSIBILITIES

National Manager - Industry Engagement and User Services is responsible for:

1. Ownership and development of the Instructions and Guidelines.
2. Ensuring wide understanding of the practice and implementation and application of the Instructions and Guidelines.
3. Liaison with other National Managers where there is shared or overlapping responsibility.

Director Cargo Reporting & Exports is responsible for:

The coordination of development, revision and maintenance of the Instructions and Guidelines and related to the Practice Statement "Cargo Clearance – Imports" in relation to cargo reporting.

National Managers (Operations) are responsible for:

1. Assisting in the development, revision and maintenance of Instructions and Guidelines.
2. Ensuring that regional managers are provided with the resources to ensure staff have access to the Instructions and Guidelines and are trained accordingly.
3. Ensuring that at all levels the outcomes are achieved by adherence to approved Instructions and Guidelines.
4. The breaches of the Instructions and Guidelines are dealt with in a timely and appropriate manner.
5. That errors or improvements in identified the Instructions and Guidelines are reported to the appropriate persons.

Managers are responsible for:

1. Providing training to regional supervisors and officers ensuring they have a sound understanding of the Instructions and Guidelines to achieve nationally consistent outcomes.
2. Assisting in the development and maintenance of the Instructions and Guidelines.
3. Ensuring that the Instructions and Guidelines are complied with.

Supervisors and Officers are responsible for:

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1. Ensuring that they are familiar with this Instructions and Guidelines paper and undertake appropriate training.
2. Knowing and understanding the application of Instructions and Guidelines when working with the Practice Statement *Clearance of Cargo – Imports.*

CONSULTATION

INDUSTRY ENGAGEMENT
The following external stakeholders have been consulted in the development of these Instructions and Guidelines:

- The Customs Brokers and Forwarders Council of Australia
- Shipping Australia
- Australian Quarantine & Inspection Service (AQIS)

INTERNAL CONSULTATION
The following internal stakeholders have been consulted in the development of these Instructions and Guidelines:

- Industry Engagement and User Services Branch;
- Compliance Division.

APPROVAL

Approved on 18 February 2008 by:

[signed]

Jaclyne Fisher
National Director
Cargo Division

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