CLECAT
European Association for Forwarding, Transport, Logistics and Customs Services

October 2024

GUIDANCE DOCUMENT

ICS2 Release 3 Maritime: Best practices for freight forwarders

The third release of the European Union's customs pre-arrival safety and security system – Import Control System 2 (ICS2) – went live on 3 June 2024**.** Its implementation is reshaping the landscape for sea freight forwarders. As the system mandates more detailed and earlier data submission, many freight forwarders, particularly those acting as carriers or managing house-level filings, must urgently take proactive steps.

For freight forwarders acting as contractual carriers and offering multimodal transport solutions, house-level filing is critical to protecting their business interests. In some cases, ocean carriers may require that freight forwarders issuing house bills of lading declare the house bills themselves or seek assistance from other service providers. Becoming a house-level filer under ICS2 Release 3 allows forwarders to maintain control over their house-level data, which is increasingly valuable as shipping lines transform into globally integrated logistics providers. This guide outlines essential actions, technical requirements, and process-driven practices to help freight forwarders navigate the ICS2 Release 3 requirements and ensure compliance.

The deadline to request a deployment window for house level filers between December 2024 and April 2025 is set on 1st November 2024. Freight forwarders must act now to ensure that they can file into ICS2 in time (more information under point 2).

1. ICS2 Release 3 Overview

ICS2 Release 3 mandates the submission of a complete Entry Summary Declaration (ENS) before goods are transported into or through the EU. While the legal requirements for submission are clear, there are no specific rules governing the distribution of filing responsibilities among the different stakeholders in the supply chain.

In many cases, the freight forwarder, shipper, or maritime carrier could be responsible for different aspects of the ENS. However, no clear guidance exists on who should submit house-level vs. master-level data at this stage.

Description of goods

As declarants, all types of Economic Operators (EOs) are legally responsible for the accuracy, completeness and timeliness of the ENS data. Therefore, attention should be given to the data requirements including:

- 6-digit Harmonised Community Codes (HS codes) and **meaningful description for each item in a consignment**.
- The EORI of the consignee established in the EU.
- Detailed buyer and seller information (or alternatively owner of the goods in case the consignment does not involve a commercial transaction) for goods with the final destination in the EU.

ENS filing timeline

For maritime transport, the ENS is to be filed within the following time limits:

a) At the latest two hours before the arrival of the vessel at the first port of entry into the EU in case of:
    1. goods coming from Greenland, Faeroe Islands, Iceland, ports on the Baltic Sea, Black Sea, Mediterranean Sea or Morocco;
    2. goods coming from other third country territories and enter the EU Customs territory, the French overseas departments, the Azores, Madeira or the Canary Islands, where the duration of the vessel's journey is less than 24 hours.

b) At the latest four hours before the arrival of the vessel for bulk cargo in other cases than a) above.

c) 24 hours before the goods are loaded onto the vessel which will bring them into the EU Customs territory for containerised cargo in other cases than a) above.

NOTE: some carriers deviate from this minimum and are asking for longer time periods, e.g. 24 hours before ETA of ship in the port of departure!

What happens in case of non-compliance?

Accurate data is essential. Submitting incorrect data may lead to EU customs authorities rejecting ENS declarations due to lack of complete data or issuing risk mitigating referrals in the pre-loading or pre-arrival phase. This leads to a request for additional data to the declarant, which must respond to the risk mitigating referrals and provide the requested information before the risk assessment can resume and be completed. This may cause delays in processing ENS declarations upon the arrival of the consignments and in the entry process, causing supply chain disruptions.

Apart from the delays that this will cause, customs can decide to impose administrative sanctions for non-compliance with ENS data requirements.

It is therefore crucial that freight forwarders ensure that they receive the accurate and complete required data set from their clients/shippers. Further guidance can be found in the dedicated Guidance Note on Enhancing Data Quality and Information Exchange for the EU ICS2 regime by FIATA and the Global Shippers Forum.

Multiple Filing

Freight forwarders have the possibility to make use of multiple filing, where more than one partial ENS filing is submitted by different actors in the supply chain. As an example, ocean carriers would submit an ENS composed of master-level data, while freight forwarders would file another ENS with house-level data linked to the corresponding ENS with master-level data.

There are a number of advantages of multiple filing, such as preventing delays for customs, and alleviating supply chain disruptions by submitting filings at the earliest possible time. Most importantly, multiple filing allows to safeguard commercially sensitive information from other parties.

There are instances where carriers mandate that freight forwarders issuing house bills of lading file house-level data themselves or through an IT service provider. In such cases, multiple filing is not merely an option for freight forwarders, but a requirement to maintain their business relationship with ocean carriers.

Recommendation: Have conversations with your clients at the earliest possible opportunity to ensure that you receive the required information under the house-level filing data set in a timely manner.

2. Registering as a House level Filer

Given the uncertainty about filing responsibilities, freight forwarders acting as carriers should strongly consider registering as house level filers to maintain control over their house-level data. In this case, to ensure a smooth and prepare start into the system, they must request a deployment window from the National Customs Authority of the Member State in which they are based. In that case, house level filers would be able to choose their go-live date between 4 December 2024 and 1st April 2025.

House level filers need to **contact the National Service Desk** (NSD) of the Member State where their EORI number is registered to request a deployment window. More information on EORI and different examples according to the company structure can be found in the EORI guidance published by DG TAXUD. The NSDs are the first point of contact for EOs and if the NSD cannot resolve the issue faced by the EOs, they will contact the Central Service Desk (CDS).

MARITIME HOUSE FILERS CAN REQUEST A DEPLOYMENT WINDOW UNTIL 1ST NOVEMBER 2024, SO FREIGHT FORWARDERS MUST ACT NOW TO ENSURE THEY CAN FILE INTO ICS2 IN TIME!

If an EO does not request a deployment window to its National Customs authority, they should start filing ENS in ICS2 from day one, which is **4 December 2024** for maritime house level filers. Forwarders who did not communicate their intention to perform house-level filing will be obliged to submit their house level information to the ocean carrier who will be responsible for filing the full ENS as of 4 December 2024. As some carriers seem reluctant to file house-level information in case forwarders issue house bills of lading, forwarders must act now to file such information themselves and will ultimately be responsible for the completeness and accuracy of the dataset they provide.

Recommendation: Prioritise the registration process and the request for a deployment window as the process can be lengthy and the deadline is approaching fast.

3. Technical Integration for House Filers

Freight forwarders must establish a technical interface with the ICS2 system to comply with filing requirements. This can be done either through in-house systems or third-party IT providers (ITSPs).

- **In-house systems**: Larger logistics providers can build their own integration with the Shared Trader Interface (STI).
- **Third-party IT service providers (ITSPs)**: Freight forwarders can also choose a certified ITSP to handle the technical aspects of data submission.

Given the lack of clear division of responsibilities between shipping lines, freight forwarders, and other parties, it is particularly important that housel level filers ensure their technical systems are ready to communicate with the ICS2 platform. This allows them to file directly, without relying on others.

More information on the technical prerequisites and steps to ensure compliance with ICS2 Release 3, as well as a non-exhaustive list of ITSPs is available on the CLECAT guidance for freight forwarders on ICS2 Release 3 (June 2024).

Recommendation: Choose a reliable ITSP and ensure your systems are prepared well ahead of the April 2025 deadline for maritime house filers.

4. Internal Data Management and Communication Challenges

Due to the uncertainty surrounding who is responsible for filing specific parts of the data, freight forwarders must ensure they have clear internal processes in place to manage data collection, validation, and submission. Freight forwarders need to establish strong internal communication channels to ensure that the right data is being collected from shippers and consignees. Since responsibility for data accuracy is not well-defined, forwarders should be proactive in developing a data quality assurance program. This will help avoid rejections or fines due to missing or incorrect information.

Recommendation: Set up a dedicated response team to handle any issues related to data collection or filing, especially given the unclear responsibilities in the current framework.

5. Protecting Commercial Data and Addressing Unclear Responsibilities

The ambiguity around who must file what data is particularly concerning given the transforming role of shipping lines. These lines are increasingly acting as door-to-door logistics service providers, and freight forwarders who provide them with house-level data risk giving away critical commercial information.

Without formal rules and unclear communication channels, there is a risk that shipping lines may demand house-level data unnecessarily. This reinforces the need for forwarders to submit ENS filings for their own house level data and communicate their intent to do so.

Recommendation: **Protect your business by taking ownership of your filings and your commercial data. Do not assume shipping lines will handle your data with your best interests in mind.**

6. Negotiating Pre-loading Advance Cargo Information (PLACI) Agreements

In the absence of clear rules governing data submissions, it is essential for freight forwarders to negotiate formal agreements with shipping lines regarding Pre-loading Advance Cargo Information (PLACI). These agreements will help avoid confusion over who is responsible for submitting which data and prevent unnecessary delays or fines. Currently, shipping lines may not be prioritising these agreements, leaving forwarders vulnerable. Freight forwarders must take the lead in securing agreements to protect their business.

The FIATA Bilateral Model Agreement for Multiple Filing could provide a template to clarify the roles and responsibilities of each party, notably in case of disruptions or technical issues. Work is currently ongoing to develop a dedicated version tailored specifically for ICS2 Release 3.

Recommendation: Do not rely on informal agreements. Without clear guidelines, forwarders must formalise their roles in writing to avoid misunderstandings with other parties.

Conclusion and summary of best practices

DO:

- Register as a house level filer to ensure control over house-level data.
- Establish reliable communication channels and set clear protocols for exchanging information with your customers (consignors).
- Ensure that customers (consignors) provide accurate and detailed descriptions, including HS Codes for each article, as well as the EORI numbers of the consignee in the EU.
- Establish internal procedures to handle data collection and quality assurance, to ensure that the ICS2 filings are submitted within the specific timeline.
- Communicate clearly with shipping lines and customers to avoid misunderstandings over who is responsible for submitting data.
- Push for formal multiple filing agreements to clarify roles among the involved parties.

DON'T:

- Wait for clearer rules to emerge – instead take control by becoming a house level filer now.
- Assume shipping lines will take responsibility for house-level filings.
- Provide shipping lines with sensitive commercial data unless considered necessary.

The ICS2 Release 3 implementation is fraught with uncertainty, particularly regarding who is responsible for submitting specific data at what stage. Freight forwarders acting as carriers must take proactive steps to protect their business by becoming house level filers and maintaining control over house-level data. In a landscape where there are no clear rules, freight forwarders should prioritise formal agreements, technical readiness, and internal coordination to navigate these challenges effectively.

Further information and materials

The following documents have been provided by the Commission to facilitate practical arrangements in preparation for the launch of ICS2 Release 3:

- ICS Transition from R2 to R3 strategy.
- ICS2 Release 3 Go-live procedure for Economic Operators.
- ICS2 Pre-arrival Referral Guidance

Additionally, the Commission has published the following factsheets:

- ICS2 Release 3 Maritime factsheet.
- ICS2 Release 3 Technical factsheet.
- ICS2 Release 3 Multiple Filing factsheet.

For further information, visit the Commission's webpage on ICS2 Release 3.

The Commission has created a webpage with the most Frequently Asked Questions related to ICS2.