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POSTAL  
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# Electronic Advance Data & Import Control System Version 2

# Updates on Electronic Advance Data (EAD)



- Presented the latest developments regarding EAD,
  - Updated the committee on the potential impact for member DOs and their air transport providers of the requirements of Import Control System 2 (ICS2)
- ICS2 has impacts on the acts of the union viz the single postal territory
- The IB informed members that a letter on this matter had been sent from the UPU Director General to the President of the European Commission on 25 April 2023.



# Proposals to amend the Convention Regulations:

## EAD proposals by France



- Approved revised proposal to insert Article 08-002 6bis and Article 08-002 6ter, with entry into force: 1 January 2025. DOs of origin shall take reasonable measures to ensure;
  - Meeting EAD requirement of destination DO
  - No pending RFI, RFS or DNL
- Approved revised proposal to amend Article 20-001 2.7bis, with entry into force: 1 September 2025;
  - DOs must provide HS Code (6 digit) for commercial article if mandated by Destination Customs.
- All proposed amendments within POC 2023.1-Doc 8.Annex 3; proposed deletion of Paragraph 9 under Article 08-002 and proposed creation of Paragraph 10 under Article 08-002 were rejected.
  - Proposals were related to ICS2 requirement during transit/ transshipment
  - Expert team created to urgently work on the transit issues and to develop a global regulatory solution for the emerging transit EAD requirements



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# ICS2 – UPU EAD GPM problem statement



- Legal
  - Non-alignment between EU Union Customs Code/ICS2 and UPU Acts
  - Results in hampering worldwide mail flows and the Global Postal Model (GPM)
- Operational aspects
  - Insufficient testing and piloting of end-to-end GPM data flows
  - Unclear line of implementation across stakeholders (member countries, carriers, designated operators): Patchwork implementation timelines negatively impact postal flows and trade
  - Uncertainty on how ICS2 requirements will impact all postal supply chain stakeholders
  - Significant gap between member country capabilities and ICS2 requirements
- Technical
  - Connectivity issues impact all stakeholders
  - GPM UPU standards are not yet approved (i.e. finalized)
  - Gaps in the data provided, and quality of data needs improvement



# Fundamental matters



## UPU Constitution article 2 (Definitions)

- 1.3 Single postal territory (one and the same postal territory): the obligation upon the contracting parties to the Acts of the Union to provide for the reciprocal exchange of postal items, including freedom of transit, and to **treat postal items in transit from other countries like their own postal items, without discrimination**, subject to the conditions specified in the Acts of the Union.
- 1.4 Freedom of transit: obligation for an intermediate member country to ensure the transport of postal items passed on to it in transit for another member country, providing **similar treatment to that given to domestic items**, subject to the conditions specified in the Acts of the Union.

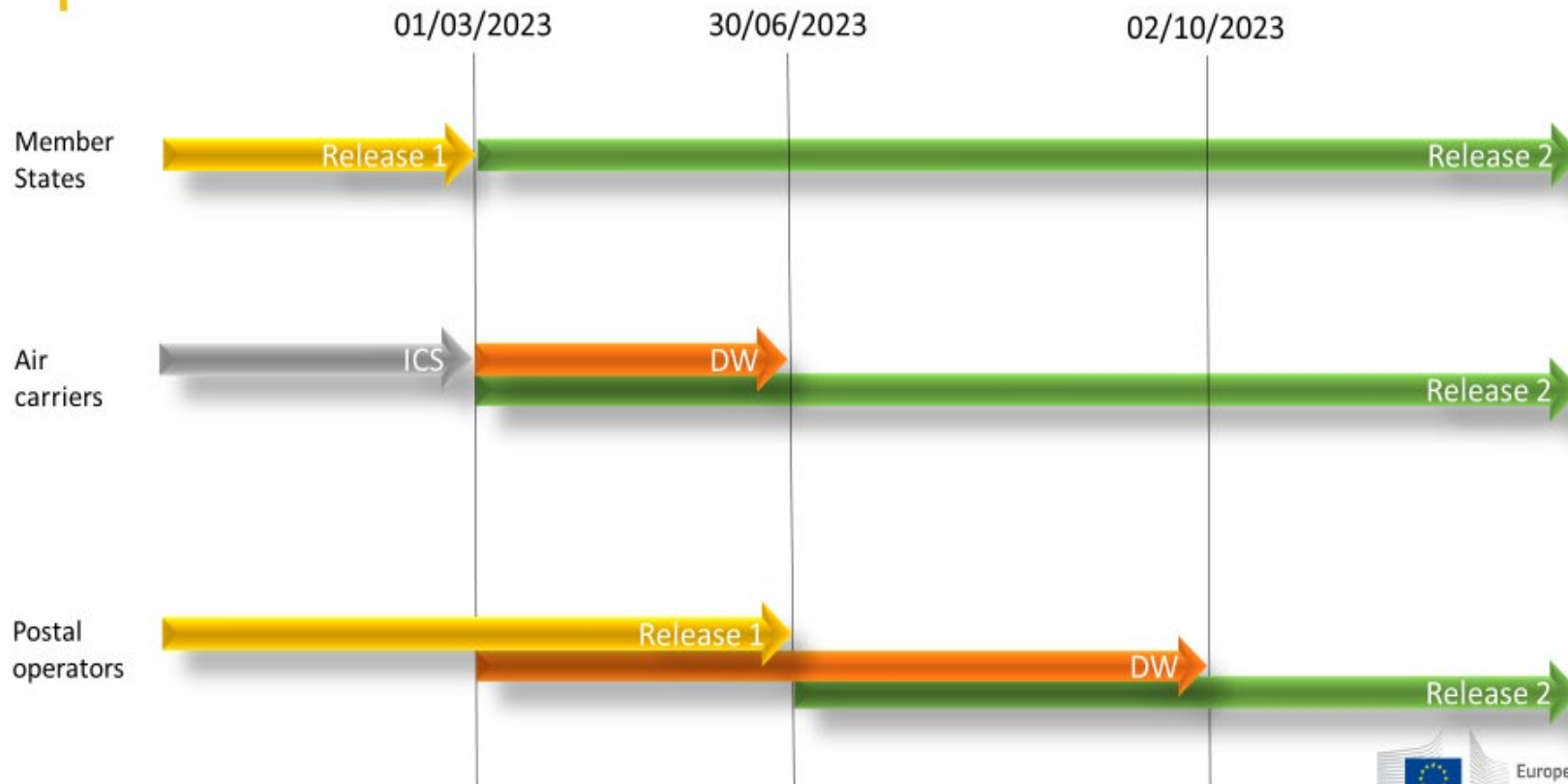
## UPU Convention article 8 (Postal security)

2 Any **security measures** applied in the international postal transport chain must be **commensurate with the risks or threats that they seek to address**, and must be **implemented without hampering worldwide mail flows** or trade by taking into consideration the specificities of the mail network. Security measures that have a potential global impact on postal operations must be implemented in an **internationally coordinated and balanced manner**, with the involvement of the relevant stakeholders.

# ICS2 Release 2 timelines



## ICS2 Release 2 deployment window



## ICS2 R2 timelines



*Requirements supported by the UPU Acts:*

CARDIT AR flag

*Not supported by the UPU Acts:*

Refusal of items based on lack of EAD, ITMREF/REFRSP, transit EAD (clashing with freedom of transit); HS codes for commercial items; type of person indicator (requires an update to UPU code list 136); EORI numbers where applicable; liabilities of designated operators for customs declarations





## ICS2 impact



# Data from transmission between Brazil Post, Lufthansa, and PT and ES Customs



Period: 22 February to 10 April 2023

Total number of items = 3,988 (ESA = 1,019/PTA = 2,969)

ASC = 100% but less than 1.5% within 4 hours

Average time between ITMATT generation and EMA (item collection) about 2 hours and 45 minutes

ITMREF-REFRSP time:

From Brazil	Period	Total	< 04:00:00	< 08:00:00	< 16:00:00	< 24:00:00	> 24:00:00
to Spain	Feb-Apr 2023	1019	94	423	206	41	255
		Items	9.22%	41.51%	20.22%	4.02%	25.02%
		Cumulative	9.22%	50.73%	70.95%	74.97%	100.00%
to Portugal	Feb-Apr 2023	2969	170	1226	336	168	1069
		Items	5.73%	41.29%	11.32%	5.66%	36.01%
		Cumulative	5.73%	47.02%	58.34%	64.00%	100.00%

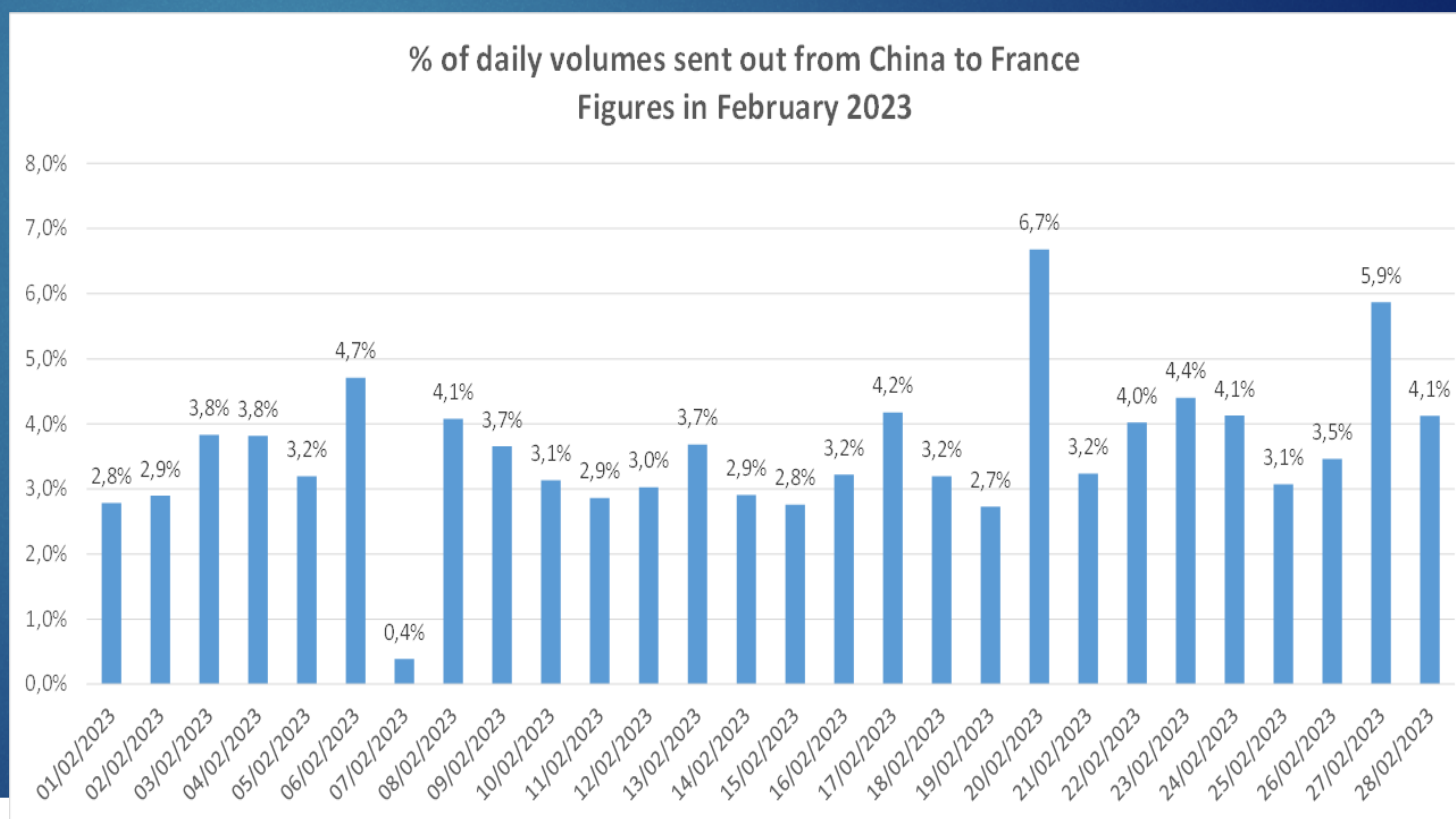
# Data from transmission to France from China (ITMREF/REFRSP) – February



## February 2023 – total number of referral messages received

ASC	RFI	RFS	DNL	Unknown	Total
1,822,484	0	0	0	208,773	2,031,257

Customs' reply	Volume	%	Cumulative %
< 0 hrs	17,968	0.9	0.9
0-2 hrs	43,471	2.1	3.0
2-4 hrs	163,400	8.0	11.0
4-6 hrs	48,093	2.4	13.4
6-8 hrs	71,747	3.5	16.9
8-10 hrs	94,639	4.6	21.6
10-12 hrs	100,432	4.9	26.5
12-14 hrs	202,323	9.9	36.4
14-16 hrs	119,726	5.9	42.3
16-18 hrs	51,165	2.5	44.8
18-20 hrs	86,225	4.2	49.0
20-22 hrs	52,193	2.6	51.6
22-24 hrs	58,869	2.9	54.5
> 24 hrs	928,223	45.5	100.0
Grand total	2,038,474	100.0	





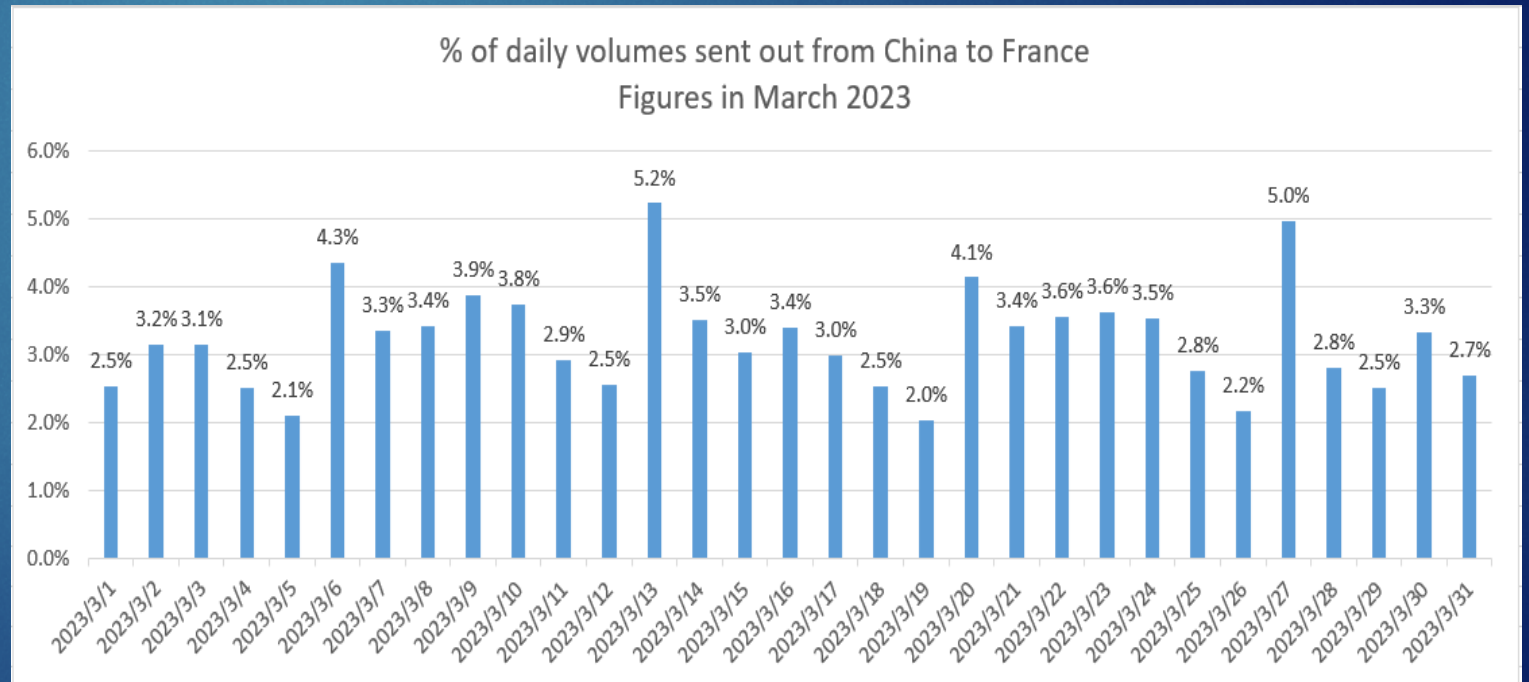
# Data from transmission to France from China (ITMREF/REFRSP) – March



## March 2023 – total number of referral messages received

ASC	RFI	RFS	DNL	Unknown	Total
2,878,250	0	0	0	55,129	2,933,379

Customs' reply	Volume	%	Cumulative %
0-2 hrs	328,999	10.7	10.7
2-4 hrs	1,814,511	58.9	69.5
4-6 hrs	281,812	9.1	78.7
6-8 hrs	161,497	5.2	83.9
8-10 hrs	77,982	2.5	86.5
10-12 hrs	57,178	1.9	88.3
12-14 hrs	135,634	4.4	92.7
14-16 hrs	70,272	2.3	95.0
16-18 hrs	30,452	1.0	96.0
18-20 hrs	10,046	0.3	96.3
20-22 hrs	8,526	0.3	96.6
22-24 hrs	7,972	0.3	96.8
> 24 hrs	97,438	3.2	100.0
Grand total	3,082,319	100.0	



# UPU Regulations vs ICS2 R1 (2021)/ ICS2 R2 (2023)/ ICS2 R3 (2024)



S10  
ITMATT  
PREDES S9-S10  
CARDIT AR  
Non-liability (art. 23)

S10 (unique identifier)  
ITMATT (F43)  
PREDES S9-S10 (F44)  
  
Penalties to DOs  
Referrals/responses  
EAD for returned items

S10 (unique identifier)  
ITMATT (F43)  
PREDES S9-S10 (F44)  
CARDIT AR (F42)  
Penalties to DOs & airlines  
Referrals/responses  
EAD for returned items  
EAD for transit/tranship.  
Systematic refusals  
HS codes (commercial)  
Type of person  
EORI No.

S10 (unique identifier)  
ITMATT (F43)  
PREDES S9-S10 (F44)  
CARDIT AR (F42)  
Penalties to DOs & carriers  
Referrals/responses  
EAD for returned items  
EAD for transit/tranship.  
Systematic refusals  
HS codes (commercial)  
Type of person  
EORI No.  
All modes of transport  
Pre-departure clearance  
*10-digit tariff codes?*  
*EAD for non-goods?*

## ICS2 requirements

## ICS2 impact

30% less mail volume  
Disconnection from DOs  
More returns

Volumes, connection ↓  
Transport challenges  
Too expensive services?  
Barrier to citizens?

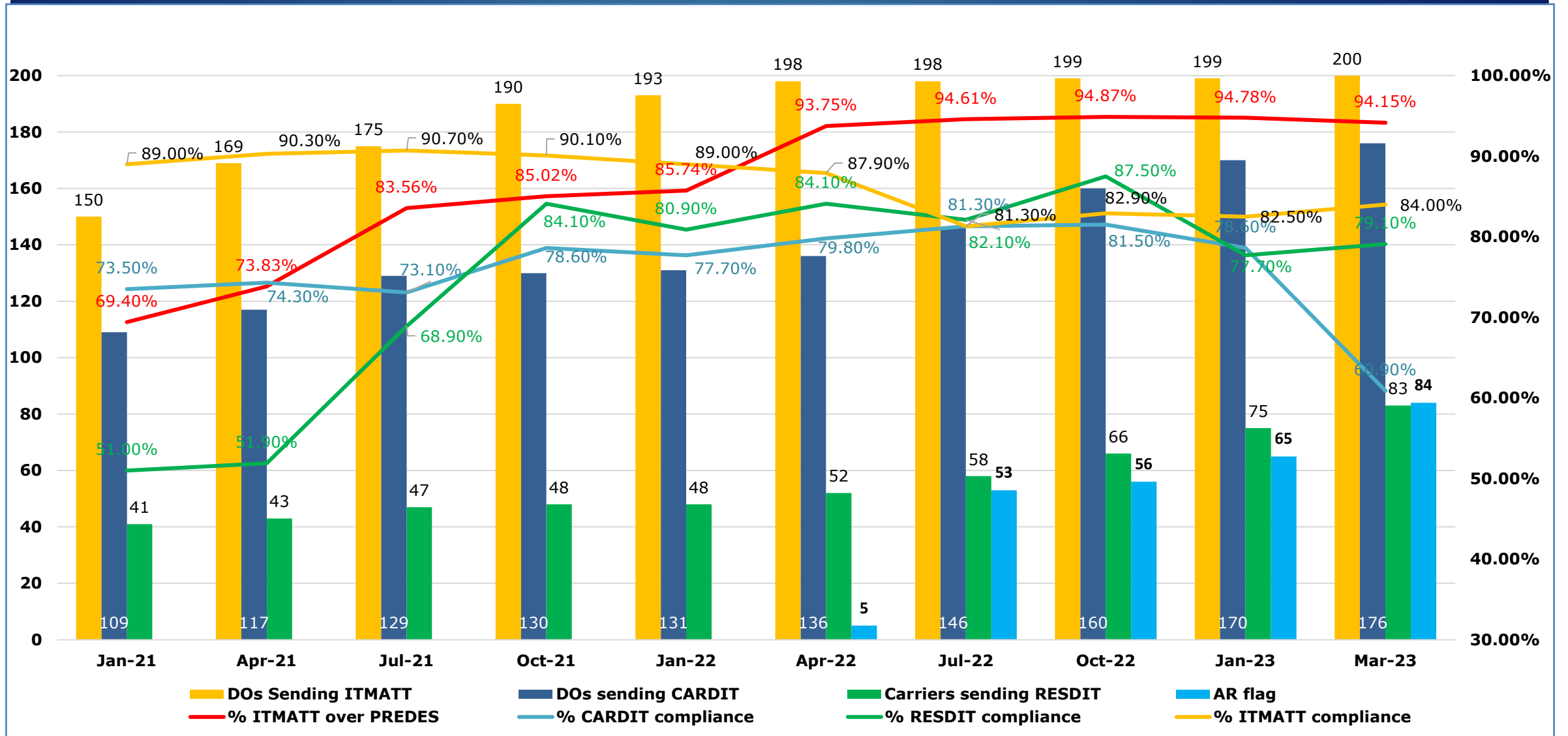
Volumes, connection ↓  
Reciprocity? Universality?  
Exclusion?  
Viability of network?  
Divergence of mail traffic?





# **UPU members – Readiness for ICS2 Release 2**

# EAD global dashboard (at 10 April 2023)





# European member states and carriers readiness for ICS2 R2



- All EU-27+CH+NO+LI **Customs** should connect to ICS2 R2 *on 1 March* (but **12 EU member states** – AT, BE, DK, EE, FR, GR, HR, LU, NL, PL, RO and SE – are not yet ready and **have a deployment derogation until 30 June**).
- **Airlines** must start ICS2 R2 on 1 March and complete their deployment *by 30 June* (but **all carriers asked for derogation until end of June 2023**) no clear status provided). At this stage, non-ICS2 DOs would need to be providing CARDIT to the airlines so these can file in ICS2.
- *From 2 October: All stakeholders* (Customs, airlines and European DOs) fully on ICS2 R2. Many airlines will be asking for the AR flag in the CARDIT (UPU Convention Regulations article 08-002 § 6). As the AR flag implies that all ITMATT and PREDES have been sent and that the consignments have no open referrals, DOs need to start implementing ITMREF/REFRSP.



Need for gradual implementation



# Pragmatic implementation approach requires member country support



## ICS2 R1

Still a lot to be done to meet R1 requirements

## ICS2 R2

New requirements for EU DOs starting 1 July 2023

Need for gradual implementation during 2023–2024

IMM<sup>1</sup>

Set up IMM team (EC, UPU, IATA, WCO, PostEurop)

Monthly reports based on real data

Pragmatic and accurate response to key issues

- Improve the data (quality & quantity), prerequisite is UPU and EC data availability
- Referrals pilot and test
- Provide consignment-level data to carriers (AR flag)
- Develop and deliver IT solutions
- Maintain ICS2 R1 requirements for postal items
- Respect UPU Convention articles 4 and 8 to avoid hampering mail flows
- Suspend penalties to postal supply chain stakeholders
- Jointly address pending issues and challenges
- Finalize detailed implementation roadmap

<sup>1</sup> Implementation monitoring mechanism



**THANKS! ANY QUESTIONS?**