

"K"Line (Europe) Limited River Plate House 7-11 Finsbury Circus London EC2M 7EA

Dear Customer,

Notification of Amendments to European Community Customs Procedures

You may already be aware of the changes to the European Customs code. The amendment aims to ensure an equivalent level of protection through customs controls for all goods brought into or out of the EU's customs territory. The amendment covers four major changes to the customs code:

- Requiring traders to provide customs authorities with information on goods prior to import to or export from the European Union.
- Providing reliable traders with grade facilitation measures (see Authorised Economic Operator)
- Introducing uniform community risk-selection criteria for controls, supported by computerised systems for goods brought into or out of the EU customs territory
- The safety and security risk analysis will be carried out before the arrival of the goods in the EU. This means that risk related information has to be shared between the competent authorities of the Member States and the European Commission.

From 1 January 2011 the relevant security data has to be provided before the goods enter or leave the community customs territory.

For Goods entering the customs territory of the European Community the Entry Summary Declaration(ENS) must be lodged electronically by the carrier before the arrival of goods in the customs territory of the Community or 24 hours <u>before</u> loading of deep sea containerised cargo, at the first point of entry into the customs territory of the community. The safety and security risk analysis will be carried out before the arrival of the goods in the EU. This means that risk related information has to be shared between the competent authorities of the Member States and the European Commission.

For goods leaving the customs territory of the European Community, pre-departure declarations or exit summary declarations (EXS) must be lodged electronically by the Carrier for goods leaving the customs territory

"K" Line is currently developing their own programme within our global manifest system to handle all of these requirements. The System will manage automatic EDI transmission of declarations and any responses from Customs.

"K" Line will submit one ENS/EXS for each Bill of Lading or Waybill. The ENS/EXS must contain specific data elements, which must be accurate since initial checks by EU Customs will be made electronically. Failure to provide this information correctly will result in an increased risk of rejection by the EU Customs.

The rule will require the following from our customers to allow "K" Line to comply with the regulations:

- All data submitted in Shipping Instructions must be accurate.
- Shipping instructions must be received in a timely manner to allow input to our systems and submission to the relevant customs office.

Cut off times for shipping instructions will be advised locally and are subject to local practices and procedures.

Further information will be circulated shortly giving full details of the data requirements for shipping instructions, use of HS codes, time limits, rejection notices, forwarder house bills of lading and various other matters.

Additional details and information can be found on the following websites:

EU Member states: <u>http://europa.eu/abc/european_countries/index_en.htm</u>

- HS Codes: http://ec.europa.eu/taxation_customs/dds/cgi-bin/tarquer?Lang=EN
- EU 24 further details: http://ec.europa.eu/ecip/security_amendment/index_en.htm