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**ICS2 Release 2 progress reporting during phased-in enforcement
period - postal transit and transshipment
and overall Release 2 compliance**

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1 Introduction

As from 2nd October 2023 the air carriers and designated postal operators of the EU Member States, Switzerland and Norway are not compliant with the UCC requirements of submitting ENS through ICS2 for all goods in postal consignment in the air traffic brought into the European security area. This includes goods destined to the European customs security area as well as those which transit or will be transhipped through it with their destination in a third country.

Being aware of constraints of the air carriers and European designated postal operators in obtaining required electronic advance data from the origin postal operators, and to avoid disruptions to international transport, transit and transshipment flows at the early stages of the new rules, the European Commission agreed with the national authorities to implement a common plan of phased-in enforcement lasting for several months until further notice. The scoping-in should prioritize coverage of major transit and transshipment flows from the origin postal operators.

This plan will be coordinated with postal and air carriers' operators and their associations as well as the UPU International Bureau. It will take account of the level of readiness of the stakeholders within the mail network. Its objective is to implement these rules progressively in the coming months, until their full enforcement within the timeframe aligned with the proposed amendments to the UPU acts addressing the exchanges of electronic advance data for transit and transshipment flows, by 1. January 2025.

During this timeframe, the economic operators should be allowed to provide transit and transshipment services for the flows which will not be yet scoped-in without customs authorities imposing sanctions or penalties for non-compliance.

The phased-in enforcement plan, established by this document, is built on the approach under which affected economic operators will progressively implement necessary conditions for compliance within time defined progress milestones. These milestones are result oriented, whereas certain deliverables should be completed at the latest by the date set for individual milestone. To achieve these milestones, a robust progress monitoring mechanism with bi-weekly reporting is to be established and implemented by all concerned stakeholders.

This document contains the progress monitoring mechanism and explains reporting elements and is addressed to the individual postal operators of the EU Member States, Switzerland and Norway and individual EU and non-EU based air carriers, and if applicable to the origin postal operators or their representatives. These economic operators will have to report on the progress individually, or may agree to coordinate their individual progress reporting to be managed by their respective association. In the case the reporting will be co-ordinated by a trade association, reports will need to cover progress at the level of an individual member.

Although, the aim of the reporting mechanism contained in this document is to manage phase-in implementation of transit and transshipment flows, it also pertains to the remaining non-compliant flows of postal goods destined to the EU Member States, Norway and Switzerland (European customs security area). The existing gap in submitting the entry summary declarations for the goods in postal consignment

destined to the European customs security area (EU/CH/NO) should be closed by the responsible designated postal operators in accordance with the scope-in approach in terms of timeframes of meeting defined milestones for ENS compliance.

2 Progress reporting and monitoring mechanism

There are separate progress reports for postal operators (report ICS2 R2 – POST) and for air carriers (report ICS2 R2 – CARRIER).

These are high-level reports to be used by individual EOs involved in the UPU flows. They are intended for the MS and DG TAXUD to be updated with relevant status of the EOs activities and whether their progress is consistent with the defined end dates of individual milestones.

2.1 Groups of activities

Three main groups of activities need to be reported and monitored:

1. Activities related to agreements between parties involved, these being special Data sharing agreements or bilateral/multilateral commercial agreements.
2. Activities related to IT implementation, involving EOs decisions about the IT solutions to be used, the development of such solutions, their conformance testing and actual use of these solutions.
3. Overall general compliance with ICS2 R2 requirements - lodgment of the complete ENS for postal transit and transshipment flows and overall compliance with ENS of each involved EO for all postal flows.

Each report has a list of deliverables needed to complete necessary milestones, for which progress needs to be reported as per reporting dates and at the latest date of a deliverable to be confirmed.

DLV ID	Deliverables description (related to transshipment of receptacles with postal items carried under UPU legislation)
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2.2 Reporting period

Reporting will be done in the period from October 30th, 2023, until April 1st, 2024, with required reporting every 14 days (report to be submitted on Monday). The final report is to be submitted at the latest by January 1st, 2025.

Reporting period 30.10.2023 - 1.1.2025											
30-10-23	13-11-23	27-11-23	11-12-23	08-01-24	22-01-24	05-02-24	19-02-24	04-03-24	18-03-24	01-04-24	01-01-25

2.3 Means of communication of bi-weekly reports to DG TAXUD

The economic operators concerned will communicate their periodic reports at the latest by the date of each reporting deadline to:

TAXUD-ICS2-PROJECT-TEAM@ec.europa.eu

The reporting should be done using the templates annexed to this document, for each type of stakeholder.

2.4 Proposed dates of follow-up meetings

Reporting and monitoring - Meetings	date
Inicial meeting I	12.10.2023
Meeting II	07.12.2023
Meeting III	07.02.2024
Meeting IV	09.04.2024
Closure meeting V	date to be decided later

3 Report ICS2 R2 – POST

This report should be used by the UPU designated postal operators established in the EU, Norway and Switzerland, which from ICS2 Release 2 on handle UPU transit flows (UPU open and closed transit), when the transit is performed through the EU, Norway and Switzerland. It also includes reporting on overall achievement i.e. compliance to the ENS requirements (regular flows).

ICS2 R2 - POST	EO FULL NAME (UPU DESIGNATED POSTAL OPERATOR/DPO)														
		DLV ID	Deliverables description (related to UPU closed and open transit)	30-10-23	13-11-23	27-11-23	11-12-23	08-01-24	22-01-24	05-02-24	19-02-24	04-03-24	18-03-24	01-04-24	01-01-25
ICS2 R2-DSA/AGR-1	DPOs with major transit flows identified and approached to - for DSA/Agreements (to cover at least 90% of all transit flows)														
ICS2 R2-DSA/AGR-2	DSA/Agreements with major DPOs performing postal transit completed (90%)														
ICS2 R2-DSA/AGR-3	DSA/Agreements with all DPOs performing postal transit completed (100%)														
ICS2 R2-IT SUP-1	Decision on IT solution provider for postal transit accepted (for open and closed transit)														
ICS2 R2-IT SUP-2	IT support for postal transit developed														
ICS2 R2-IT SUP-3	IT connections with ICS2 tested and completed (Conformance testing with ICS2 completed)														
ICS2 R2-GEN.COM-1-T	ENS compliance for postal transit (to cover 90% of all transit flows)														
ICS2 R2-GEN.COM-2-T	ENS compliance for all postal transit (to cover 100% of flows)														
ICS2 R2-GEN.COM-3-all	ENS compliance to 100% of regular flows into EU														

3.1 Explanatory notes to the report ICS2 R2 - POST

3.1.1 ICS2 R2-DSA/AGR-1 – Deadline for deliverable: by 30/10/2023

UPU designated postal operators, established in the EU Norway and Switzerland, need to identify the non-EU postal operators using their services for UPU transit flows, and approach them to cover legal aspects of data requirements and data exchanges for the purpose of UPU transit (using any commercial agreements or/and data sharing agreements). It is important that major flows with largest volume (approximately 90% of all transit flows) are prioritized and handled first. The deadline for this activity is set to the end of October 2023.

Expected outcome: Providing the list of identified designated origin postal operators.

3.1.2 ICS2 R2-DSA/AGR-2 – Deadline for deliverable: 22/01/2024

Upon the performed activities under 3.1.1. it is expected that until the January 22nd, 2024, 90% of agreements required for transit flows are concluded.

Expected outcome: Confirmation of the necessary DSAs/any agreements covering major (approximately 90% in total transit volumes) for postal transit flows have been concluded.

3.1.3 ICS2 R2-DSA/AGR-3 – Deadline for deliverable: 01/04/2024

Final date for conclusion of any agreements related to the postal transit is set to April 1st, 2024.

Expected outcome: Confirmation that the necessary DSAs/ any agreements covering all transit flows have been concluded.

3.1.4 ICS2 R2-IT SUP-1 - Deadline for deliverable: 27/11/2023

EU postal operators, performing UPU transit services, need to identify the provider (its own solution or external provider) for their IT development or upgrades of their existing IT systems, to be able to receive transit data and to transform those data into relevant ENS filings. This activity must be concluded by November 27th, 2023.

Expected outcome: Communicating the identity of the provider for IT development / upgrade of the existing system.

3.1.5 ICS2 R2-IT-SUP-2 – Deadline for deliverable: 19/02/2024

IT development activity must be finalised by February 19th, 2024. This time limit should be sufficient to modify/develop necessary functionality/ies, since no major IT developments are needed to cover the ENS data submissions for postal transits.

Expected outcome: Confirmation of completion of IT development/upgrade activity.

3.1.6 ICS2 R2-IT-SUP-3 – Deadline for deliverable: 04/03/2024

The connectivity of the postal IT systems with the ICS2 system and other functionalities must be tested and the end date for this activity is March 4th, 2024.

Expected outcome: Completion of the connectivity (if applicable) and functional test of the postal IT system with the ICS2.

3.1.7 ICS2 R2-GEN-COM-1-T – Deadline for deliverable: 01/04/2024

Under this report item it is expected that EU postal operators provide estimation (in %) of overall ENS compliance (in relation to transit flows, both open and closed UPU transit). It is of outmost importance that at least 90% of postal transit flows are covered with complete ENS until April 1st, 2024.

Expected outcome: Confirmation that at least 90% of total postal transit flows are covered by the ENS.

3.1.8 ICS2 R2-GEN-COM-2-T – Deadline for deliverable: at the latest by 01/01/2025

This report item is reserved to be reported only in exceptional cases, when the partner of an EU postal operator for transit services is a post from less developed country, which needs longer time for digitalization and adjustments of systems for data collection and later exchanges of such data with the EU.

Expected outcome: Confirmation of compliance with the ENS obligations for all transit flows.

3.1.9 ICS2 R2-GEN-COM-3- Regular flows – Deadline for deliverable: 01/04/2024

Under this report item it is expected that EU postal operators provide confirmation of the overall ENS compliance.

Expected outcome: Confirmation of 100 % compliance with the ENS for the regular postal flows until set up date (i.e. postal items destined to the EU/CH/NO).

4 Report ICS2 R2 – CARRIER

This report should be used by the carriers, or where applicable origin postal operators or representatives of these two parties, which are transporting postal receptacles with postal items into and/or through the EU (with a stop) – referred to as postal transshipment flows as these are postal flows without any involvement of the EU postal operators. It also includes reporting on overall achievement i.e. compliance with the ENS requirements by the carriers.

ICS2 R2 - CARRIER	EO FULL NAME (CARRIER flying to or through (with a stop) EU)														
DLV ID	Deliverables description (related to transshipment of receptacles with postal items carried under UPU legislation)	30-10-23	13-11-23	27-11-23	11-12-23	08-01-24	22-01-24	05-02-24	19-02-24	04-03-24	18-03-24	01-04-24	01-01-25		
ICS2 R2-AGR/DSA-1	Approached to non-EU posts for Agreement/DSA, related to postal transshipment flows through EU (for covering at least 90% of all transshipment flows)														
ICS2 R2-AGR/DSA-2	Agreement/DSA for postal transshipment with non-EU posts with major flows completed (90%)														
ICS2 R2-AGR/DSA-3	Agreement/DSA for postal transshipment with non-EU posts completed (100%)														
ICS2 R2-IT SUP-1	Decisions on IT solution provider for postal transshipment known														
ICS2 R2-IT SUP-2	IT support for postal transshipment developed														
ICS2 R2-IT SUP-3	IT connections with ICS2 tested and completed (Conformance testing with ICS2 completed)														
ICS2 R2-GEN.COM-1-T	ENS compliance for postal transshipment (to cover 90% of transshipment flows)														
ICS2 R2-GEN.COM-2-T	ENS compliance for all postal transshipment (to cover 100% of flows)														
ICS2 R2-GEN.COM-3-all	ENS compliance to reach 90% of all postal flows														
ICS2 R2-GEN.COM-4-all	ENS compliance for remaining 10% of postal flows (to cover 100% of all flows)														

4.1 Explanatory notes to the report ICS2 R2 – CARRIER

4.1.1 ICS2 R2-DSA/AGR-1 – Deadline for deliverable: 30/10/2023

Air carriers, transporting postal goods through the EU (with a stop in the EU) – performing postal transshipment, and not involving any EU postal operator, need to identify the non-EU postal operators using their services for such transshipment and approach them to cover legal aspects of new data requirements for postal goods and data exchanges between the origin post and air carrier. It might also happen that no-EU posts decide to file relevant filings itself into ICS2 or filing is performed through its representative. This is to be done using any agreements (including data sharing agreements). The major flows with highest volumes should be prioritized and handled first (covering at least 90% of total transshipment flows). The deadline for this activity is set to the end of October 2023.

Expected outcome: Providing the list of identified origin postal operators using transshipment.

4.1.2 ICS2 R2-DSA/AGR-2 – Deadline for deliverable: 22/01/2024

Upon the performed activities under 4.1.1, it is expected that until the January 22nd, 2024, 90% of agreements for new data requirements and exchange of data for transshipment flows are concluded between air carriers and origin postal operators.

Expected outcome: Confirmation of the necessary DSAs/any agreements covering major (approximately 90% of total) transshipment flows have been concluded.

4.1.3 ICS2 R2-DSA/AGR-3 – Deadline for deliverable: 01/04/2024

Final date for conclusion of any agreements related to data requirements and exchange of data for the purpose of postal transshipment is set to April 1st, 2024.

Expected outcome: Confirmation that the necessary DSAs/any agreements covering all transshipment flows have been concluded.

4.1.4 ICS2 R2-IT SUP-1 – Deadline for deliverable: 27/11/2023

Air carriers, transporting postal goods through the EU (with a stop in the EU), need to identify the provider (its own solution or external provider) of IT development or upgrades of the

existing IT systems that need to be done, to be able to receive transshipment data and to transform those data into relevant ENS filings. It might also happen that no-EU posts decide to file relevant filings itself into ICS2 or filing is performed through any representative or any IT provider. This activity must be concluded by November 27th, 2023, and reported to by the carrier.

Expected outcome: Communicating the identity of the provider for IT development/upgrade.

4.1.5 ICS2 R2-IT-SUP-2 – Deadline for deliverable: 19/02/2024

IT development activity to cover transshipment postal flows has to be finalised by February 19th, 2024. This time limit should be sufficient to modify/develop/upgrade necessary functionality, since no major IT developments are needed, taking into the account the existing ICS2 solutions and connections.

Expected outcome: Confirmation of completion of IT development/upgrade activity.

4.1.6 ICS2 R2-IT-SUP-3 – Deadline for deliverable: 04/03/2024

The connectivity of the carrier's IT system with the ICS2 system and other functionalities must be tested and the end date for this activity is set to March 4th, 2024.

Expected outcome: Completion of the connectivity (if applicable) and functional test of the filer's IT system with the ICS2.

4.1.7 ICS2 R2-GEN-COM-1-T– Deadline for deliverable: 01/04/2024

Under this report item it is expected that air carriers, transporting postal goods through the EU (with a stop in the EU), provide estimation (in %) of overall ENS compliance (only in relation to transshipment flows). It is of utmost importance that at least 90% of postal transshipment flows are covered with complete ENS until April 1st, 2024.

Expected outcome: Confirmation of at least 90% of total postal transshipment flows are covered by the ENS.

4.1.8 ICS2 R2-GEN-COM-2-T – Deadline for deliverable: at the latest by 01/01/2025

This report item (within 10%) is reserved to be reported only in exceptional cases, when the partner of an air carrier is a post from less developed country, which needs longer time for digitalization and adjustments of systems for data collection and the later exchanges of those data with the EU.

Expected outcome: Confirmation of compliance with the ENS obligations for all transshipment flows.

4.1.9 ICS2 R2-GEN-COM-3-all – Deadline for deliverable: 01/04/2024

Under this report item it is expected that air carriers, transporting postal goods into or/and through the EU (with a stop in the EU), provide estimation (in %) of overall ENS compliance (in relation to all postal flows: regular + transit + transshipment). It is of utmost importance

that at least 90% of all postal flows are covered with complete ENS until April 1st 2024, and it is expected that within this share, regular postal flows into EU/CH/NO are covered 100%.

Expected outcome: Confirmation of at least 90% of all postal flows are covered by the ENS.

4.1.10 ICS2 R2-GEN-COM-4-all – Deadline for deliverable: at the latest by 01/01/2025

This report item (within 10%) is reserved to be reported only in exceptional cases, when the partner of an air carrier is a post from less developed country, which needs longer time for digitalization and adjustments of systems for data collection and the later exchanges of those data with the EU.

Expected outcome: Confirmation of compliance with the ENS obligations for all postal flows.

5 ANNEXES

5.1 Annex 1: Sample report ICS2 R2 – POST

5.2 Annex 2: Sample report ICS2 R2 - CARRIER