



MARKET INSIGHTS

“The new Import Control System will reach the maritime sector in June”¹

From June 2024, the new Import Control System (ICS2) will be implemented in the maritime sector, after being introduced for air cargo in 2023 and with plans to extend to road and rail transport in 2025. This system requires specific details of imported goods to be provided prior to loading or arrival at the EU border.

Global and European trade associations have alerted companies involved in the transport of goods to or through the EU, Norway, Switzerland or Northern Ireland to be prepared for ICS2. The new data requirements include six-digit HD codes for each item, acceptable descriptions, and detailed buyer and seller information. Failure to comply with these requirements can result in delays, disruptions in exports to the EU, and penalties.

Analysis of the Fundación Valenciaport

There is no doubt that **international trade** is a crucial **force** for **global economic prosperity**, driven by **technology** and the **opening** of **borders** that **facilitate** the **exchange of goods** and services between nations. This phenomenon not only fosters **economic growth**, but also **strengthens cooperation** and **understanding between countries**, allowing nations to specialize in their strengths and access products and resources not available locally.

However, as we have seen in recent years, **global trade** faces **threats** that can seriously harm the economy and the social welfare of nations. Given this situation, **customs administrations**, which are responsible for **overseeing** and **managing** the **international movement of goods**, are in a **privileged position** to **strengthen** the **security** of the **global supply chain** and contribute to socioeconomic development.

With this same objective in mind, the **World Customs Organization** (WCO), an independent **intergovernmental** body responsible for **establishing joint measures** for the **customs sector**, which dates back to 1947, proposed the **“SAFE” standards**, a **framework** designed to **improve the security** and **facilitation** of **world trade**. This framework establishes principles and standards that the more than **180 members** of the WCO must adopt, ensuring secure and efficient global trade.

¹ Original news published by “Cadena de Suministro” and available at: https://www.cadenadesuministro.es/transporte-maritimo/nuevo-sistema-control-importaciones-en-sector-maritimo-partir-junio_1502514_102.html

The European Union's Import Control System (ICS)

European customs authorities ensure the integrity of the supply chain, protect the security of the Union and its economic interests, facilitate legitimate trade and use risk management for efficient controls. Modernization of customs procedures and cooperation between authorities are crucial to address risks in a uniform manner across the EU. In this regard, **modernizing customs procedures** and **strengthening cooperation between** Member States' **customs authorities** are essential to address risks in a consistent and uniform manner across the EU.

Although the **common EU framework** for **customs risk management** is in place, it needs to be further adapted and developed to improve its consistency and effectiveness. This is the responsibility of the Commission and the Member States. Along these lines, the EU implemented the **Import Control System (ICS)** on January 1st, **2011**, following the attacks of September 11th, 2001, to perform **risk analysis** on **goods prior** to their **entry** or **transit** through the **EU**, improving the security of the logistic chain.

Recently, progress has been made with the **New Import Control System (ICS2)**, which **increases** trade **security** by tracking and verifying goods, increases traceability and transparency in the supply chain by collecting data prior to the arrival of goods, and protects European citizens and businesses against import risks, ensuring the integrity of the internal market, which has led to a significant number of efficiencies or improvements in different aspects of the customs process (Table 1).

Table 1. ICS2 Efficiencies

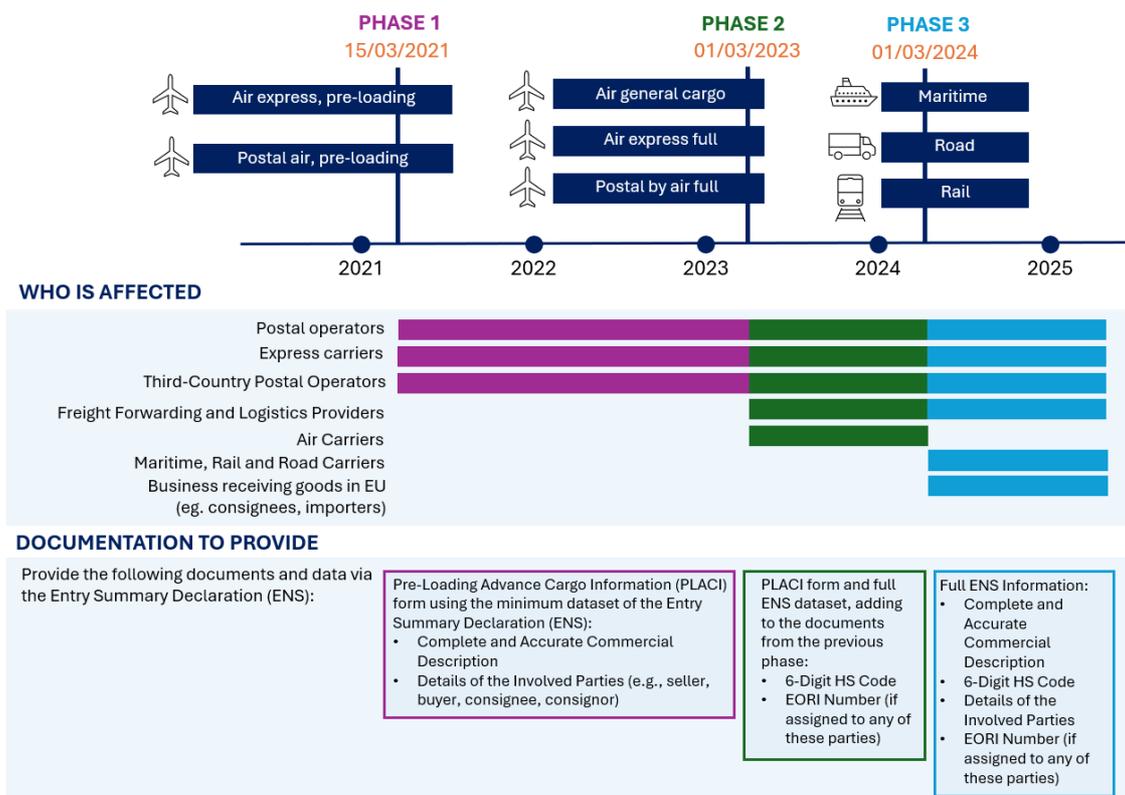
	Strengthen the protection of the EU against security threats, both for citizens and for the internal market
	Strengthening the EU's customs capabilities to detect high-risk shipments
	Performing precise interventions at key points in the supply chain
	Adoption of flexible and strategic customs measures at external borders to ensure security and fluidity during crisis situations
	Expediting customs clearance procedures for legitimate trade
	Promoting more efficient and transparent communication between business and EU Customs

Source: Own elaboration based on information provided by the European Commission

This Pre-Load Advance Cargo Information System (PLACI) applies to all cargo shipped or in transit through the EU, enabling customs authorities to identify high-risk shipments and ensure the security of European territory. To operate, ICS2 requires economic operators, such as transport companies, to provide security data via the **Entry Summary Declaration (ENS)**. This data includes specific details about the cargo, its origin, destination and other relevant aspects.

ICS2 **has been implemented in several phases** to ensure a smooth and adaptable transition for all actors involved. Figure 1 shows the implementation dates for each of the phases, as well as the actors in the chain affected and the documentation to be provided in each phase. The current phase, which started on June 3rd, **2024**, covers **maritime**, road and rail **transport**, including postal and express shipments. Economic operators have a **phased implementation period** until April 1st, **2025**, with **specific plans** for **shipping** and **inland transport companies** from **June** to **December 2024**, and for freight forwarders, consolidators, importers and other operators from December 2024 to April 2025.

| Figure 1. ICS2 Implementation phases



Source: Own elaboration based on information provided by the European Commission

As shown, the **third phase introduces a significant change**, focusing exclusively on the exchange of pre-arrival information. Remarkably, and as far as the shipping supply chain is concerned, data communication adopts a **multifaceted approach, involving all actors** in the **supply chain** (Table 2).

| Table 2. Information required by maritime transport supply chain actor

Type of transportation	Information required to be declared
Shipping companies	<ul style="list-style-type: none"> Information about the consignee and shipper. Automated six-digit code. Information about the shipment of goods.
Logistic operators	<ul style="list-style-type: none"> Detailed and complete description of the goods: what it is, what it is made of and what function it will fulfill.

	<ul style="list-style-type: none"> • Providing in electronic format by the country of origin or the platform where the purchase was made of the information of the goods.
Transportation and supply chain companies	<ul style="list-style-type: none"> • Providing the information four hours before the arrival of a long-haul flight (more than four hours); or before the last take-off for short-haul flights (less than four hours). • Detailed data on the weight and volume of the goods.
Freight forwarders and public agencies	<ul style="list-style-type: none"> • Responsibility for data emission. • Obligation to warn delays, inadmissibilities and fines

Source: European Commission

In order to **facilitate a smooth transition**, carriers must connect to the system between June 3rd and December 4th, 2024. This provision allows those companies that are not ready by June 3rd to still have the opportunity to adjust within the deadline set by the national customs authorities. **If they are not ready in time**, the goods will be detained and delayed at customs borders. **Customs authorities will not dispatch the goods in question**, and **inadequate declarations will be rejected** or subject to action, with possible penalties for non-compliance. It is therefore crucial that economic operators, including carriers and freight forwarders, ensure the complete and accurate submission of the ENS in the ICS2 system, complying with the stipulated deadlines and requirements to avoid disruptions and penalties.

Other European Union tools in the customs matter

With all this, the Import Control System 2 (ICS2) is a key initiative of the European Commission aimed at strengthening supply chain security through data exchange and improved customs controls. In line with the objectives of ICS2, several **additional IT projects and systems** have been developed, working with Member States and companies to ensure the availability and exchange of relevant information on risks and control results. These systems help to improve transparency and efficiency in supply chain management. Among others, the following are highlighted:

| Table 3. Recent projects for improving customs control in the maritime area in the EU

Project	Implementation	Description
Customs Program 2021-2027	From 2021 to 2027	This program provides funding to support cooperation between the customs authorities of the member states. It includes the development of IT tools and staff training.
EU4Health Program and Customs	Implemented in 2021	Integration of customs controls with sanitary measures to better manage imports of health products and medicines.
Customs Risk Management System (CRMS2)	Updated in 2022	CRMS2 is the updated version of the Customs Risk Management System. It facilitates the exchange of risk information between member states, improving the ability to respond to potential threats.
Modernization of the Customs Valuation System (CVM)	Update made in 2022	Improvements in the valuation system to ensure that customs declared values accurately reflect the market value of the goods.

Smart Borders Initiative	Project launched in 2022	Use of advanced technologies such as artificial intelligence and machine learning to improve controls at the EU's external borders.
Anti-Counterfeiting and Protection of Intellectual Property Project (AFCIP)	Launched in 2022	A project dedicated to the fight against counterfeiting and the protection of intellectual property in international trade.
Customs Data Analysis Platform (CDAP)	Implemented in 2023	An advanced platform for the analysis of large volumes of customs data, allowing the identification of risk patterns and potential frauds.
Customs Information and Management System (CIS)	Improved in 2023	An integrated system for managing and sharing information on customs activities within the EU.
Integrated License Management System (ILMS)	Implemented in 2023	A system to electronically manage all licenses required for the import and export of regulated goods.

Source: Own elaboration

In addition to ICS2, there are other projects at the European level focused on improving **customs control** in the **maritime field**, with the aim of **optimizing security, efficiency** and **transparency** in international trade.

/Table 4. Recent projects to improve customs control in the maritime field in the EU

Project	Implementation	Description
Electronic Information Exchange Project (eManifest)	Initial phase in 2021, with deployment through 2024	Digitalizes and harmonizes the filing of maritime cargo manifests in the EU, facilitating compliance with customs regulations and improving the traceability of goods.
European Maritime Single Window Project (EMSWe)	Initial phase in 2021, with progressive rollout until 2024	It creates a single platform for the exchange of information related to the arrival and departure of ships in EU ports, simplifying administrative procedures and reducing processing time.
European Fisheries Information System (EUROFISH)	Implemented in 2016, with continuous improvements	Facilitates the management and exchange of data on fishing activities, helping to ensure compliance with regulations and the sustainability of marine resources.
Maritime Transportation Information System (MTS)	Pilot started in 2015, with progressive implementation	Implements digitalization and real-time data exchange to improve the efficiency and safety of shipping operations in Europe.
EU Maritime Coordination Project (Maritime CISE)	Implemented in 2014, with continuous improvements	Promotes the exchange of information between civilian and military maritime authorities to improve maritime situational awareness and operational efficiency.
European Border Surveillance System (EUROSUR)	Implemented in 2013, with continuous improvements	Provides enhanced surveillance of the EU's external borders through real-time information exchange and coordination of efforts between member states.
Maritime Safety Information Exchange Platform (SafeSeaNet)	Continuous improvements since 2009	Facilitates the exchange of maritime information to improve the safety, security and efficiency of maritime traffic, increasing coordination between port and maritime authorities.

Source: Own elaboration

In addition to the European projects, it is important to highlight the measures that are being carried out at **national level** to improve customs control in the maritime field. An example of these initiatives is the **Working Group established and communicated last December by FETEIA** (Federación Española de Transitarios, Expedidores Internacionales y Asimilados) in collaboration with **Dirección de Aduanas e Impuestos Especiales**. This group aims to formalize the existing communication between both parties, creating a stable channel for the resolution of incidents and the exchange of information without the need for prior appointment. While not being entirely new, it is expected that this working group will serve as a direct means to share current issues related to the customs sector and improve efficiency in customs processes.

Likewise, in the improvement of the integral and digital data management of the customs sector, the **SIMPLE** project, an initiative promoted by the **Spanish Ministry of Transport, Mobility and Urban Agenda in collaboration with Adif and Puertos del Estado**, through a pioneering technological platform, seeks to bring together all the information of the logistics chain and ensure interoperability between the different modes and nodes of transport, both nationally and internationally. This advanced solution, which exploits blockchain technology, will ensure document and cargo traceability, enabling telematic interaction between all agents and modes of transport involved. With this innovative approach, Spain aims to be at the forefront of Europe in the use of technology to improve the efficiency and sustainability of freight transport.

Undoubtedly, initiatives that focus on the implementation of technological solutions to improve efficiency in customs management underline the **importance** of **improving coordination** between **customs authorities** and **other agencies** to **facilitate border controls**. This is especially relevant in a context where the traffic of goods is increasing, and customs procedures are becoming more complex. Along the same lines, it is essential to continue **advancing** in **coordination** among all **actors involved** in **customs controls**, both **nationally** and **internationally**. This will ensure a faster and safer flow of goods at borders, benefiting both companies and logistics operators and the economic development of countries. Ongoing collaboration and the adoption of innovative technologies are key to meeting current and future challenges in the customs field.