



DELIVERING THE FUTURE



CMR BULLETIN - ACS DELAY

The Australian Customs Service announced on 18th August 2003 that the introduction of the exports release of Customs new Integrated Cargo System (ICS) will be moved from 1 December 2003 to 1 March 2004.

The delay by Customs on the implementation of the exports phase of the Integrated Cargo Systems should not be viewed as an opportunity for business' to relax on their own implementation schedule. Rather it should be viewed as the opportunity for all business' to fully address the business impacts and opportunities imposed by CMR and align their business operations accordingly to ensure they will be fully complaint from 1 March 2004.

Businesses should amongst other things be considering the following issues:

Digital Certificates (DC)

- It is anticipated that Customs will come to an agreement with a second certified DC issuer. The exports delay provides the opportunity to wait and compare this offering with that already published by Verisign. We will keep all readers informed of any developments in this area.
- Have you identified your authorised officer(s)? Do they fully understand their responsibilities in respect of distribution and management of individual DC's? If not make efforts to obtain informed advice.
- Have you made decisions on your DC needs in relation to export functions? Import DC needs can be assessed after obtaining an understanding of what functions available within the Customs Interactive will not be available through EDI systems.
- You do not need to be a licensed customs broker to be an authorising officer unless your business will be communicating import declarations (customs entries).

Exports

- Managers do not assume that your operation is fully compliant – if you have been isolated from the day-to-day operations take the time to audit the compliance of ECN's.
- A key change will be the introduction of CTO/Gate reporting provisions, the compliance issue here is that any amendments that your business makes to an ECN after delivery to a wharf or airport might be subject to an infringement notice. Audits undertaken by TCF indicate that many companies are amending ECN's after delivery to the CTO. As a result of being isolated from day to day operations, managers are not fully aware of the extent of these amendments. This is a business process issue and must be addressed in advance of March 1, 2004.

- As a result of the increased emphasis on export compliance it is likely that your business has undertaken additional training and added resources to your export department. Our industry is not very effective at communicating the cost of these additional resources to clients. Now is an opportunity to be paid an appropriate fee for the creation of export declarations, make sure this is effectively communicated to your clients.
- If your staff have not been appropriately trained please contact TCF for details of our on site & software specific compliance training.

Imports

- The implementation of the imports phase will be significantly more complex than exports, your business cannot afford to wait until after the implementation of exports to understand the impact of the changes on current business processes. This will only give you 12 weeks to fully understand the impacts, make the appropriate changes, educate clients and train staff. Here are few points for consideration;
 - *How will you ensure compliance of self assessed clearances?*
 - *What impact will cascade reporting have on co-loaded shipments?*
 - *What are the threats and opportunities of the Accredited Client Program (ACP) – You must ensure your clients do not find out from a competitor.*
 - *Multiple suppliers can be included on a single import declaration and tariff items can be grouped, this will be a new business process and if not managed properly might result in a dilution of revenue.*

Unless Customs receive a strong indication from industry that the commencement of the imports phase in July 2004 should be put back, your business will be managing the implementation of both exports and imports in parallel. This is not an ideal situation and it will require significant resources. This will be further impacted if your business decision is to relax on your export and import implementation needs. CMR is a business issue and will require significant adjustments to be compliant and avoid potential penalties. It also provides a rare opportunity to differentiate your services in a competitive environment, increase efficiencies and increase margins

Do not use Customs delay of the export commencement as an opportunity to postpone your implementation.

Please contact Greg McKillop or Paul Angel if you require detailed information on the threats and opportunities that CMR delivers your business.



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