

February 2, Import Control System 2 (ICS2) effective March 1, 2023

The European Union together with Switzerland, Norway and Northern Ireland, are implementing a new customs cargo safety and security program, underpinned by a large-scale advance cargo information system, the Import Control System 2 (ICS2).

Dear valued customer,

On March 1, 2023, all airfreight shipments into or via the countries in scope (EU27, Switzerland, Norway and Northern Ireland) will have to comply with new data filing requirements, based on which the involved states' customs authorities will conduct a pre-loading and pre-arrival air cargo security risk assessment. Other modes of transport will have to comply in the course of 2024.

The security and safety program will support effective risk-based customs controls while facilitating free flow of legitimate trade across the external borders. Data will be collected on all goods entering the mentioned countries in question prior to their arrival. Advance cargo information and risk analysis will enable early identification of threats and help customs authorities to intervene at the most appropriate point in the supply chain.

Sterling is currently setting up its IT systems and processes to comply with the new requirements of submitting the necessary data elements to the states' customs authorities. In parallel, Sterling is enhancing its electronic data interchange (EDI) connections and interfaces for its customers enabling data automation and accuracy.

ICS2 will apply to all parties sending air cargo from third countries to or through the countries mentioned above. Ensuring a smooth cargo flow without interruption to the supply chain is a joint effort and requires **your active participation**.

How you will comply with the ICS2 requirements:

- As a company conducting customs activities in the European Union, you need an
 Economic Operators Registration and Identification (EORI) number from one
 of the EU Member states' customs authorities. Please ensure that you share this
 EORI number, if applicable, with your shipper/seller. As a shipper/seller sending
 cargo to the countries in scope, please ensure you obtain the EORI number of your
 consignee. For Switzerland, Norway and Northern Ireland, where no EORI is
 available, the VAT registration number may be provided.
- Please include an accurate and meaningful goods description for each article
 of the consignment along with the corresponding Harmonized Commodity Code
 (HS Code, minimum first 6 digits).

The necessary information above should be provided to your Sterling Logistics Specialist in addition to the shipment details you already share as part of your commercial documents and/or EDI messaging today. Submitting incorrect or inaccurate data, as well as missing data elements, could lead to:

- Rejected declarations or customs intervention, with possible sanctions imposed for non-compliance
- · Consignments stopped or delayed at customs
- Enhanced security screening
- Flight delays

Further information can be found on the website of the European Commission.

We will keep you updated throughout the implementation. Should you have any questions or concerns, do not hesitate to contact your Sterling representative.

Yours sincerely,

The Sterling Team

