



Notice to Regulated Agents 2/2020

Mechanisms of Handling Non-Compliance of Regulated Agents regarding Screening Summary Report Submission during Transition Period to Implement ICAO's New Policy Direction

This notice serves to announce to all Regulated Agents (RAs) of the Civil Aviation Department's (CAD) mechanisms of handling non-compliance of RAs regarding screening summary report submission during the Transition Period to implement International Civil Aviation Organisation's (ICAO) New Policy Direction on Air Cargo Security.

Background

2. With the Transitional Arrangement implemented since January 2020, the CAD observed that the majority of RAs submitted their monthly screening summary reports to the CAD on or before the deadlines, and were able to comply with the screening percentage requirements promulgated by the CAD. However, the CAD also observed that a small number of RAs, despite our reminders, have failed to submit screening summary reports to the CAD by the stipulated deadlines, or have repeatedly failed to meet the screening percentage requirements. In this connection, the CAD would like to set out the mechanisms of handling these non-compliances of RAs during the Transition Period.

3. As announced on CAD's website, there are **ten equalization assessments** in the Transition Period to assess the compliance of RAs against the required screening percentage of each phase:

Transition Phase	Date	% of known cargo required to be screened	Period for Equalization Assessment
Phase 1	Jan 2020 – Apr 2020	25%	Jan 2020 – Apr 2020 (4 months)
Phase 2	May 2020 – Aug 2020	40%	May 2020 – Jun 2020 (2 months) Jul 2020 – Aug 2020 (2 months)
Phase 3	Sep 2020 – Feb 2021	70%	Sep 2020 – Oct 2020 (2 months) Nov 2020 – Dec 2020 (2 months) Jan 2021 – Feb 2021 (2 months)
Phase 4	Mar 2021 – Jun 2021	100%	Mar 2021 (1 month) Apr 2021 (1 month) May 2021 (1 month) Jun 2021 (1 month)

4. As promulgated by the CAD in the *Notice to RAs 1/2019*, RAs are required to submit screening summary reports to the CAD on a monthly basis during the Transition Period. The deadline to submit reports is the 10th calendar day of the following month. For those deadlines after which an equalization assessment will follow (e.g. 10 May 2020 for Phase 1, 10 July 2020 and 10 September 2020 for Phase 2), RAs are also required to indicate their corrective action plan (CAP) in the screening summary reports if they fail to meet the required percentage of screening for the previous equalization assessment period.

The Mechanisms

5. Should an RA falls under below criteria, i.e. (I) fail to submit screening summary reports and/or CAP or (II) fail to meet required percentage of screening, its RA status may be suspended or de-registered by the CAD according to the following mechanisms:

(I) Fail to submit screening summary reports and/or CAP

6. If an RA fails to submit screening summary reports and/or CAP by CAD's deadline after which an equalization assessment will follow (e.g. 10 May 2020 for Phase 1, 10 July 2020 and 10 September 2020 for Phase 2), written reminders would be served to each RA concerned. If the RAs concerned still fail to submit the required information in response to CAD's reminders, they would be **de-registered from CAD's RA register**. Please note that this mechanism is an existing mechanism of the Regulated Agent Regime (RAR) and is **already in force**.

(II) Repeatedly fail to meet the required percentage of screening

7. An RA may be **suspended or de-registered** by the CAD if it **repeatedly fails to meet the required percentage of screening** in the **equalization assessments of the Transition Period**, following the mechanism below:

<u>Cumulative no. of non-compliance(s) in equalization assessment</u>	Action by CAD
1 st time	Written warning by CAD (RAs will be warned of 1-week suspension if screening percentage is not met next time)
2 nd time	Written warning by CAD + <u>1-week suspension</u> of RA status (RAs will be warned of 2-week suspension if screening percentage is not met next time)
3 rd time	Written warning by CAD + <u>2-week suspension</u> of RA status (RAs will be warned of de-registration if screening percentage is not met next time)
4 th time	<u>De-registration</u> of RA status

8. The above mechanism **will NOT have retrospective effect**: RAs which failed to meet the required percentage of screening for Phase 1 and/or the first half of Phase 2 (May 2020 - Jun 2020) will not be taken as non-compliance for the purpose of executing the above suspension / de-registration mechanism. RAs which fail to meet the required percentage of screening for the second half of Phase 2 (Jul 2020 – Aug 2020) and beyond will be subject to the said non-compliance mechanism.

Implications of Suspension and De-registration of RA Status

9. It should be reminded that RAs under suspension or de-registration would be **removed from CAD's RA Register** (https://www.cad.gov.hk/english/newrar_rareg.html). They would not be able to exercise their rights as RAs, including but not limited to, consigning their cargo as known cargo by annotating security status (SPX) and RA code on their shipping documents. **All of their cargo shall therefore be tendered as unknown cargo and subject to 100% screening.** It should also be reminded that under CAD's new Regulated Air Cargo Screening Facility (RACSF) scheme, an RACSF shall only receive cargo from valid RAs for security screening. In other words, **suspended or de-registered RAs would not be able to tender cargo direct to RACSFs for security screening.** They shall be required to **send them to Cargo Terminal Operators (CTOs) for security screening instead.**

10. Following the same principle, if an RA is also an RACSF where its RA status is under suspension or de-registration, it cannot self-screen its own cargo (i.e. tendered using the company's RA status) and has to tender the cargo to CTOs for screening instead. That said, such RACSF may still conduct screening for cargo tendered by other valid RAs.

11. It should also be reminded that if an RA is removed from CAD's RA Register, it shall **immediately notify its partnering RAs**, pursuant to para. 3 of *Regulated Agent Aviation Security Declaration for Inter-Regulated Agent Handling* contained in the *Handling Procedures for RAR*.

12. To avoid losing your RA status, **RAs are strongly reminded to comply with CAD's screening percentage requirements in the Transition Period and punctually submit your screening summary reports to the CAD (i.e. on or before the 10th calendar day of each month).**

Enquiries

13. For enquiries, please contact CAD at 2910 6880, 2910 8695, 2910 8696 and 2910 8697 during office hours (09:00 – 12:00; 14:00 – 17:00) daily, except Saturday, Sunday and public holidays.

31 July 2020
Aviation Security Section
Airport Standards Division
Civil Aviation Department