

Notice to Regulated Agents 3/2025

Updates to Warehouse Contractor Declaration

This notice informs all regulated agents (RAs) of the update to the Warehouse Contractor Declaration under the Regulated Agent Regime (RAR) regarding the (i) sub-contractor arrangements and responsibilities, (ii) handling of known and/or unknown cargo and (iii) mode of retention of the Warehouse Contractor Declaration.

Background

It has been a long standing industry practice for RAs to engage warehouse contractors to process, store and deliver air cargo on their behalf. In such cases, the RAs are known as "the Principal RAs", which shall require their warehouse contractors to complete the Warehouse Contractor Declaration Form (hereafter referred to as "the Declaration") which confirms their awareness and compliance with the RAR requirements as laid down in the Declaration and referenced sections in the <u>RA Security Programme (RASP)</u>. The warehouse contractors also undertake in the Declaration that the service they provide to the Principal RAs shall not be subcontracted to a third party (hereafter referred to as "the sub-contractor") unless it has also signed the Declaration with the Principal RA to ensure the sub-contractor also undertakes to comply with the RAR requirements.

2. With robust support of the air cargo industry, the Declaration has served as a well-accepted arrangement which has been in use for many years. Recently, there were views and suggestions from the industry regarding the disclosure of information of the sub-contractors through the completion of the Declaration to the Principal RAs from operational and commercial perspectives. After due review of the existing regulatory regime and relevant mechanisms including but not limited to the Regulated Air Cargo Screening Facility (RACSF) scheme, and with the aim of continually facilitate and support the air cargo industry, updates have been made to the Declaration to streamline the requirements on sub-contractor arrangements and responsibilities in order to address the operational considerations raised by the industry while upholding RAR requirements for aviation security and safety.

Updated Warehouse Contractor Declaration

- 3. While the existing requirement of completing the Declaration by the warehouse contractors to the Principal RAs remains unchanged, updates made and reflected in the Warehouse Contractor Declaration (May 2025) are summarised below:-
 - (i) Sub-contractor arrangements and responsibilities (see para. 4 and 5);
 - (ii) Required indication on the arrangements in respect of the handling of known and/or unknown cargo (see para. 6); and
 - (iii) Relaxation to the format for which the Declaration is maintained (see para. 7).
- 4. For the sub-contractor arrangements and responsibilities under item (f) of the updated Declaration, the Principal RAs shall clearly explain to the warehouse contractors that cargo processing or storage service shall not be sub-contracted to a third party unless:
 - the sub-contractor has signed the Declaration to declare to the Principal RA that all security requirements stipulated in the Declaration have been and shall be complied with; or
 - if the warehouse contractor is a valid RACSF accepted by the CAD, it can declare to the Principal RA that it assumes full responsibility for ensuring its subcontractor(s), whom the RACSF engages as cargo processing contractor(s), comply with all security requirements stipulated in the Declaration. In this case, the warehouse contractor is required to indicate its RACSF code in the Declaration and its subcontractor(s) is/are then not required to complete and submit the Declaration to the Principal RA separately.

Note:

- a. Paragraph 4 above does not preclude warehouse contractors which are **valid RACSFs** to require their **sub-contractors to complete the Declaration** to the Principal RAs, as per existing practice.
- 5. While the updated Declaration allows flexibility, it is advisable for the Principal RAs to **regularly visit the warehouses to ascertain that the operations** of the warehouses comply with the relevant obligations under the Declaration at all times, in order to fulfil the requirements on **monitoring the performance of contractors** under *RASP Part II Section* 8.1(c)(iv).
- 6. The warehouse contractors are also required to specify in Item 2 of the updated Declaration whether unknown cargo, known cargo, or combination of both are processed and stored at the site on behalf of the Principal RA. The Principal RAs shall ensure that the indication reflects the practices of the warehouse contractors which shall also align with the information given in RASP Part II Section 8.4(a) and (b) for segregation of known and unknown cargo and protection against unlawful interference on known cargo respectively.

7. Given the growing trend of electronic communication and paperless records, the requirement to maintain the original Declaration in physical format is also relaxed. RAs may **present either an electronic or physical copy of the Declaration** to CAD officers when requested.

Effective Date of the Updated Warehouse Contractor Declaration

8. **The updated Declaration** is available on CAD website and can be downloaded at:

https://www.cad.gov.hk/application/HKCAD_RAWCD-E.pdf

9. The Principal RAs shall use the updated Declaration for warehouse contractors and sub-contractors which are engaged on or after 1 June 2025. For existing warehouse contractors and sub-contractors, the signed Declarations remain in effect until it is due after two years counting from the date of signing the existing Declaration. In other words, all Principal RAs with warehouse contractors and sub-contractors shall use the updated Declaration by 31 May 2027.

Enquiries

10. For enquiries about this notice, please contact the CAD at 2910 6880 during office hours (09:00 – 12:00; 14:00 – 17:00) daily, except Saturday, Sunday and public holidays.

[Note: RAs can access the *RASP* in full via the links provided in the notice.]

May 2025 Aviation Security Section Airport Standards Division Civil Aviation Department