



GUIDANCE FOR THE PHASING OUT OF ACCOUNT CONSIGNORS AND SIMILAR ENTITIES INVOLVED IN IMPLEMENTING SECURITY CONTROLS FOR CARGO AND MAIL

(Extracted from Appendix 30 of the ICAO *Aviation Security Manual*, Doc 8973, Restricted)

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Background

1 Previously, the International Civil Aviation Organization (ICAO) permitted Standards which differed in how cargo¹ was to be secured, depending on whether such cargo was to be carried by commercial passenger aircraft or all-cargo aircraft (freighters). This differentiation was in place for many years, and allowed for an entity defined as an "account consignor" to originate cargo for carriage on board all-cargo aircraft only.

2 In 2012, the ICAO Council approved Amendment 12 to Annex 17 (Security) to the Convention on International Civil Aviation. This Amendment removed the distinction between commercial passenger aircraft and all-cargo aircraft when it comes to the application of air cargo security measures. The revised **Standard 4.6.1** is the critical and fundamental Standard which requires the application of appropriate security controls, including screening where practicable, to all cargo and mail consignments prior to loading onto a commercial aircraft, regardless of type:

Standard 4.6.1 - *“Each Contracting State shall ensure that appropriate security controls², including screening³ where practicable, are applied to cargo and mail, prior to their being loaded onto an aircraft engaged in commercial air transport operations”.*

3 In this context, regarding the phasing out of account consignors, **Standard 4.6.1** needs to be read with **Standards 4.6.2** and **4.6.5**.

Standard 4.6.2 - *“Each Contracting State shall establish a supply chain process, which includes the approval of regulated agents⁴ and/or known consignors, if such entities are involved in implementing screening or other security controls of cargo and mail”.*

Standard 4.6.5 - *“Each Contracting State shall ensure that operators do not accept cargo or mail for carriage on an aircraft engaged in commercial air transport operations unless the application of screening or other security controls is confirmed and accounted for by a regulated agent, or an*

¹ Unless otherwise specified, 'cargo' refers to both cargo and mail consignments.

² **Security control** is defined in Annex 17 (Tenth Edition, April 2017) as “A means by which the introduction of weapons, explosives or other dangerous devices, articles or substances which may be used to commit an act of unlawful interference can be prevented”.

³ **Screening** is defined in Annex 17 (Tenth Edition, April 2017) as “The application of technical or other means which are intended to identify and/or detect weapons, explosives or other dangerous devices, articles or substances which may be used to commit an act of unlawful interference”.

⁴ **Regulated agent** is defined in Annex 17 (Tenth Edition, April 2017) as “An agent, freight forwarder or any other entity who conducts business with an operator and provides security controls that are accepted or required by the appropriate authority in respect of cargo or mail”.



entity that is approved by an appropriate authority. Cargo and mail which cannot be confirmed and accounted for by a regulated agent or an entity that is approved by an appropriate authority shall be subjected to screening”.

4 **Standard 4.6.2** takes cognizance of the role of the known consignor as a legitimate entity in the air cargo secure supply chain. Annex 17 defines a known consignor as “*A consignor who originates cargo or mail for its own account and whose procedures meet common security rules and standards sufficient to allow the carriage of cargo or mail on any aircraft*” [emphasis added].

5 There is no definition for an account consignor in Annex 17. However, Chapter 13, 13.4.4, of this manual, defines an account consignor as “*A consignor who originates cargo or mail for its own account for carriage on all-cargo aircraft only and who applies procedures that meet common security rules and standards set by the appropriate authority sufficient to allow carriage of its cargo and mail only on all-cargo aircraft*” [emphasis added].

6 Comparing the definition of a known consignor with that for an account consignor, the obvious difference is in the type of aircraft that cargo is permitted to be carried on board⁵. This distinction was made because of two other main differences between known and account consignors: (1) the guidance material in this manual indicates that known consignors are required to be approved by a State’s appropriate authority, whereas account consignors may be approved by a regulated agent or aircraft operator. (2) Also, unlike unknown consignors, account consignors are not required to account for the application of security controls as this is done by the regulated agent or aircraft operator. Therefore, account consignors provide a less stringent level of security, and goods they originate were only allowed on all-cargo flights, as the risk for all-cargo flights was previously deemed to be lower than that of passenger flights. However, this distinction is no longer recognized in Annex 17, and the ICAO Council has indicated that all entities in the air cargo secure supply chain, including consignors, will have to be approved by the appropriate authority by June 2021 at the latest. Other entities which may not be called an account consignor, but are also not approved by the appropriate authority, should also no longer have a place in the air cargo secure supply chain.

Phasing out of account consignors – options and guidance

7 Member States were informed of the ICAO Council’s decision through State Letter AS 8/2-16/85 of 1 September 2016. The letter further indicates the three options available for new applicants as well as for existing account consignors, and that account consignors must be phased out latest by 30 June 2021.

8 These options indicated in State Letter AS 8/2-16/85 are:

- i) **Current account consignors to seek to be approved as known consignors by the appropriate authority:** In order for an account consignor to become approved as a known consignor, it needs to apply procedures that meet common security rules and standards established by the appropriate authority for known consignors. The appropriate authority is

⁵ It has also been observed by some authorities that, in practice, a known consignor can usually account for an absence of prohibited items in the cargo or mail because of its involvement in the process of the product becoming air cargo, whereas an account consignor could ship commodities on its own account without this particular involvement.



- required to set out the rules and standards, and verify whether an applicant has met them. As a result, the consignments originated by a known consignor are deemed secure in the cargo supply chain, and do not need to be subjected to screening by a regulated agent or aircraft operator before being loaded on board an aircraft, provided they stay protected throughout the whole supply chain.
- ii) **Current account consignors become unknown consignors and therefore are required to submit their consignments for screening by a regulated agent or aircraft operator:** The second option is that account consignors do not seek to be approved as an authorized entity and that all cargo carried on board any commercial aircraft shall be screened by a regulated agent, or another entity within the State's cargo security supply chain system that is authorized and recognized by the appropriate authority to carry out screening. Such entities carrying out the security screening of cargo could be cargo terminal operators or the air carriers concerned, etc., as long as there is proper approval and oversight from the appropriate authority accordingly. Consignors may choose this option if the appropriate authority has not developed a known consignor programme, or if a cost/benefit analysis indicates this option is more suitable for them.
- iii) **Current account consignors may seek to be approved as another entity, provided this option is defined in a State's National Civil Aviation Security Plan (NCASP):** In line with the requirement of **Standard 4.6.5**, the third option is for an account consignor to become an "entity that is approved by an appropriate authority" other than a regulated agent or known consignor, which would be responsible for applying security controls to cargo so as to allow for its carriage on any commercial aircraft⁶. Such entities should be defined in the State's NCASP, and would be made responsible for confirming and accounting for the application of screening of cargo, or the application of security controls where the entity is directly involved in the producing and packaging of the goods and thus can ensure that the cargo does not contain restricted items. This is in effect what that "entity that is approved by an appropriate authority" as stated in **Standard 4.6.5** is required to do, if that entity is not a regulated agent. The appropriate authority would have to establish the conditions, procedures and terms of reference within the State's NCASP for account consignors seeking to take on such roles and responsibilities, including obtaining approval from the appropriate authority. This can be achieved through the establishment of a security programme that is approved by the appropriate authority of the State where the application, confirming and accounting for of security controls on cargo is conducted. The appropriate authority, or an entity authorized by the appropriate authority, should carry out quality control and oversight activities to ensure that the implementation of security controls meets the common security rules and standards set by the appropriate authority.

9 Guidance material can be found in this manual on the air cargo secure supply chain, approval process and security requirements for regulated agents and known consignors, appropriate methods on the screening of cargo, and the establishment of security programmes for entities confirming and accounting

⁶ When allowing for the existence of "other entities" besides regulated agents and known consignors in their national programmes, States may wish to consider whether this may have an impact on the harmonization of their secure supply chain regimes with those of other States, should they wish to pursue efforts to do so in the future.



for the application of screening or other security controls on cargo for carriage on an aircraft engaged in commercial air transport.

Recommended guidance for States to phase out account consignors

10 Before an account consignor can make a choice from the options mentioned above, the appropriate authority is advised to review its national requirements related to the air cargo secure supply chain. The recommended guidance for States to adopt to phase out account consignors are as follows:

- i) The appropriate authority should develop and establish the necessary legislation and regulations requiring that account consignors in their current form, or any other consignors not approved by the appropriate authority, shall no longer be considered part of the State's air cargo secure supply chain by 30 June 2021 at the latest. This is to ensure compliance with the SARPs of Annex 17 — *Security* to the Convention on International Civil Aviation.
- ii) The appropriate authority should establish within their NCASP the State's air cargo security regime that will take effect from 30 June 2021, where account consignors should no longer be included. The State's air cargo security regime can include the following options, in so far as the following options are not in place already:
 - a) establishment of a secure supply chain programme involving regulated agents and known consignors, whereby current account consignors have the option to apply for approval by the appropriate authority as a known consignor;
 - b) approval of other entities that are responsible for confirming security controls applied to cargo, which are recognized as part of the secure supply chain; and
 - c) the requirement that cargo which cannot be confirmed and accounted for by a regulated agent or an entity that is approved by the appropriate authority shall be screened.
- iii) The appropriate authority should ensure that all existing account consignors and other consignors not approved by the appropriate authority be informed that they have the options of either applying to become a known consignor or another entity approved by the appropriate authority (should this latter option be available in the State's NCASP), or cargo they originate shall be subjected to screening by a regulated agent or an entity that is approved by the appropriate authority to perform such duties. Other entities in the secure supply chain, such as regulated agents, air carriers and cargo screening facility operators should also be informed of the above changes. Particular attention should be given to the regulated agents that had recognized entities as account consignors. Appropriate information to account consignors may be disseminated through the relevant regulated agents.



- iv) The appropriate authority should not allow for the establishment of any new account consignor. Doing so ensures that the phasing-out process would not run into complications arising from an increasing number of account consignors as we approach the phasing-out deadline of 30 June 2021. However, if there is a critical necessity for a new account consignor to be established, the new account consignor is to cease their current form of operations by 30 June 2021 at the latest, in order to ensure compliance by the State with the SARPs of Annex 17. The State's appropriate authority should also be made aware of the establishment of any new account consignors between now and June 2021 in its State, so that it is able to track the State's progress towards the phasing-out deadline, and adjust its policies and regulations, if necessary, to phasing-out all account consignors by the deadline.
- v) The appropriate authority should make an assessment of the number of existing account consignors and investigate whether these entities intend to apply for known consignor status, or as an entity that is approved by the appropriate authority (should this option be available in the State's NCASP). In calculating the number, it should be considered that one account consignor may have accounts with different regulated agents or airlines. Therefore, one needs to make sure not to count the same company multiple times, as this would imply a larger number of account consignors than there are in reality. Depending on the number of entities that intend to apply for the known consignor status, the appropriate authority may need to draft an action plan taking into account the resources and time needed to assess the security programmes of applicants and to carry out on-site verifications. The appropriate authority may want to increase its quality control capabilities, and start conversion activities well before the deadline of 30 June 2021, so as to ensure that every interested entity be assessed on time and business operations continue.
- vi) Should the number of entities applying for approval as known consignors or as an entity that is approved by the appropriate authority exceed the appropriate authority's capabilities for quality control; if there are signs that there will be a high number of account consignors becoming unknown consignors; or should the appropriate authority not have established a known consignor regime, an analysis of screening capacity should be undertaken to make sure all cargo generated by entities that do not attain known consignor status (by the deadline) can be effectively screened. In this regard, the appropriate authority may wish to give due consideration for the establishment of, e.g. explosives detection dog (EDD) programmes, so as to supplement existing capacity for cargo screening.
- vii) Should an appropriate authority allow an account consignor to undertake the roles and responsibilities of "*an entity that is approved by an appropriate authority*" as stipulated in Annex 17 **Standard 4.6.5** (i.e. confirming and accounting for cargo that are to be accepted for carriage on an aircraft engaged in commercial air transport operations), and that the said cargo have had screening or other security controls appropriately applied to them, the appropriate authority shall establish the necessary conditions, procedures and terms of reference to enable the account consignor to convert into an entity that is approved by an appropriate authority to handle known cargo in the State's secure supply chain. The appropriate authority is also required to give its authorization and oversight on the entity to ensure that it carries out these functions accordingly. In this regard, the appropriate authority shall require the entity to develop and submit a security programme detailing the procedures, roles, responsibilities and



tasks that it would undertake, and this security programme is to be approved by the appropriate authority. The appropriate authority should also establish and implement a regulatory oversight programme that includes audits and inspections in respect of the entity, in accordance with the requirements of the National Civil Aviation Security Quality Control Programme.

Conclusion

11 In summary, there are three possible options for States to consider in looking at phasing out account consignors as presented in paragraph 8 above. Paragraph 10 above provides suggested guidance on what States can do to manage the transition period to phase out the account consignors.

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