

**57th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

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**AGENDA ITEM 5: AVIATION SECURITY AND
FACILITATION**

**ENHANCING AIR CARGO SECURITY
THROUGH PHASING OUT OF ACCOUNT CONSIGNORS**

Presented by Hong Kong, China

SUMMARY

To enhance the level of aviation security around the globe, the ICAO issued a policy direction in September 2016 to phase out account consignors not approved by the aviation security authority by 30 June 2021. Hong Kong, China is not only committed to achieving full compliance with the policy direction, but also endeavours to maintain the Hong Kong International Airport as one of the busiest cargo airports in the world. In compliance with the policy direction, a Regulated Air Cargo Screening Facilities (RACSF) scheme was initiated by Hong Kong, China in late 2018 for interested parties to establish and operate RACSF. To better manage the major changes to the cargo trade, a transitional arrangement was implemented from early 2020 to gradually increase the screening percentage for Hong Kong's export air cargo to 100% in phases.

ENHANCING AIR CARGO SECURITY THROUGH PHASING OUT OF ACCOUNT CONSIGNORS

1. INTRODUCTION

1.1 In September 2016, the ICAO Secretary General issued a State Letter announcing that account consignors and other consignors not subject to approval by the appropriate authority for aviation security should be phased out within a five-year period, and at the latest by 30 June 2021. Starting from 1 July 2021, all export air cargo are required to be 100% screened for explosives and incendiary devices before they are brought on board aircraft, unless their consignors have been validated by the appropriate authorities for aviation security.

1.2 This paper summarised the efforts committed by the Civil Aviation Department, Hong Kong, China (HKCAD) in phasing out Account Consignors (AC). In a nutshell, the HKCAD initiated the Regulated Air Cargo Screening Facilities (RACSF) Scheme in late 2018 to increase the screening capability of the air cargo industry; implemented the phased transitional arrangement from early 2020 to gradually raise the percentage of export air cargo subject to security screening; and established the Known Consignor (KC) Validation Scheme to recognise Hong Kong-based consignors which originate air cargo in a secure facility within Hong Kong, China.

1.3 With the full implementation of the ICAO's policy direction as scheduled, the HKCAD will continue to strengthen the oversight and communication with the air cargo industry, with a view to further enhancing aviation security whilst maintaining the competitive edge of Hong Kong as an international and regional air cargo hub.

2. DISCUSSION

Regulated Air Cargo Screening Facilities (RACSF) Scheme

2.1 The Hong Kong International Airport (HKIA) is one of the busiest air cargo hubs in the world. Despite the impact of the COVID-19 pandemic, Hong Kong's air cargo throughput at the HKIA registered a high volume of over 4.5 and 5.0 million tonnes in year 2020 and 2021 respectively. When the ICAO's policy direction was announced in 2016, this induced major increase to the demand of screening capacity of the air cargo industry in Hong Kong, China. As the screening capacity of the air cargo terminals at the HKIA was limited, the HKCAD conducted an assessment on how to ensure the full compliance with the ICAO's policy direction while ensuring smooth air cargo flow.

2.2 To facilitate the air cargo industry to meet the ICAO's policy direction, the HKCAD developed a scheme of recognising off-airport air cargo screening, namely Regulated Air Cargo Screening Facility (RACSF) Scheme. The scheme requires the RACSF operators to process and store air cargo in secured premises (with CCTV surveillance and recording), install properly licensed X-ray screening equipment, deploy qualified screeners to conduct security screening, and utilize secured transportation arrangements for the screened air cargo etc. This scheme was launched in October 2018 to facilitate the air cargo industry to establish and operate air cargo screening facilities at off-airport locations accepted by the HKCAD. To ensure that the RACSF scheme was widely understood and accepted by the air cargo industry, the HKCAD provided on-site advice to interested parties and conducted thorough trade consultation, mass briefings and Q&A sessions to manage the major changes. In parallel, the HKCAD had taken the opportunities of various international forums (including ICAO Working Group on Air Cargo Security under the ICAO Aviation Security Panel and ICAO Regional Aviation Security Coordination Forum) to provide updates and share experiences on the implementation of the RACSF scheme in Hong Kong.

2.3 After the launch of the RACSF Scheme, the HKCAD has closely collaborated with the air cargo industry and received active and earnest support to the RACSF Scheme in the past three years. As of end May 2022, there are over 150 RACSFs duly assessed and accepted by the HKCAD. Relevant screening equipment have been procured and installed. The screening capacity of the air cargo terminals at

the HKIA and the off-airport RACSFs are sufficient to serve the air cargo industry in Hong Kong. On-site inspections were conducted by the HKCAD officers to ensure compliance with the air cargo security requirements.

Implementation of Transitional Arrangement

2.4 To facilitate the air cargo industry to gradually gear up for full implementation of the ICAO's policy direction, the HKCAD put in place an 18-month transitional arrangement, comprising 4 phases, since January 2020 for the air cargo industry to plan in advance and progressively increase the screening percentage to 100% for export air cargo tendered by consignors not validated by the HKCAD before the ICAO's policy direction came into effect.

2.5 The HKCAD closely monitored and conducted on a monthly basis comprehensive analysis on the air cargo industry's submissions regarding the percentage of export air cargo screened. Despite the outbreak of the COVID-19 pandemic, the transitional arrangement was well managed and proceeded smoothly. In case the target screening percentage in any month within the transitional period could not be met, the HKCAD proactively approached the freight forwarders concerned to understand their difficulties and offered advice to assist them in attaining the target percentage subsequently. The overall screening percentage in each phase met and exceeded the screening percentage required for the respective phases.

Known Consignor (KC) Validation Scheme

2.6 The HKCAD has also established the Known Consignor (KC) Validation Scheme since May 2020 for Hong Kong-based consignors which originate (i.e. produce or assemble) air cargo from secured facilities in Hong Kong, China. The KCs so validated have to meet specific security requirements such as training and site security. The HKCAD has conducted site visits and initial assessment to vet the applications, but no applicant has been accepted as of end May 2022. In view of the very limited presence of goods manufacturers, producers or assemblers in Hong Kong, China, the number of eligible consignors is expected to be small.

Enhanced Oversight and Communication

2.7 Since the beginning of the transitional arrangement, the HKCAD has stepped up on-site regulatory activities on freight forwarders, RACSFs and air cargo terminals with a view to ensuring compliance with the enhanced air cargo security requirements and providing timely advice to stakeholders on the new regime. Apart from regular inspections, additional unannounced inspections and documentation checks have been conducted to verify the screening records. In consultation with the air cargo industry, the HKCAD also developed and implemented a punitive mechanism for handling various non-compliance of freight forwarders and RACSFs, ranging from written warning to de-registration, to ensure its deterrent effect.

2.8 Notwithstanding that Hong Kong, China has fully complied with the relevant ICAO requirements, the HKCAD will continue to organise review meetings with various stakeholders in the air cargo industry, including the airport operator, air cargo terminals, airlines and relevant air cargo industry representative bodies to keep them updated of any latest developments. The HKCAD will also continue to issue notices to freight forwarders and RACSFs from time to time to highlight common issues or deficiencies identified for their attention and corrective actions.

2.9 Despite the COVID-19 pandemic since January 2020, the operations of air cargo industry in Hong Kong have been observed to be generally smooth coupled with an increase of air cargo volume. The HKCAD is delighted to conclude that Hong Kong, China has successfully implemented the ICAO's policy direction in March 2021 (i.e. 3 months before the specified deadline). The HKCAD will continue to keep close surveillance on the operations of freight forwarders, RACSFs, air cargo terminals and aircraft operators to ensure their compliance with the aviation security requirements, and also provide necessary support to the air cargo industry to reinforce Hong Kong's status as an international and regional air cargo hub.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to note the information contained in this Paper.

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