

December,13 2010

New procedure related to European Union Customs regulations

Dear NCA Customers

As European Union (EU) Customs Import Control System (ICS) will become effective from 1st January, 2011, advance electronic data of all shipments into EU states will be required.

NCA would like to inform you its new procedure to ensure smooth implementation of the new regulations

1. Date of implementation

All NCA flights to and via all EU states are to be regulated from 1st January, 2011.
(Trial period will start from 16 December, 2011.)

2. Basic EU Customs requirements

All information related to air cargo brought into EU as well as in-transit air cargo will be required to be transmitted electronically to EU Customs at least 4 hours prior to aircraft arrival at the arrival airport.

NCA is responsible for the transmission of complete set of information at Master Airway bill (MAWB) level for non-consolidated and consolidated shipments.

NCA is also responsible to transit a complete set of information at both (MAWB) level and House Air Waybill (HAWB) level for consolidated shipments.

All the consolidator exclusively possesses HAWB information, NCA needs to be disclosed and presented by the consolidator with complete and accurate HAWB information that is required by EU Customs.

Detailed HAWB information must include the following.

HAWB number

Three letter code of the airport of origin

Three letter code of the airport of destination

Precise description of the goods.

Number of pieces

Weight

Complete name and address of the original shipper

Complete name and address of the ultimate consignee.

3. Options to submit HAWB information.

EDI with FHL2 messages.

This is the preferred method of NCA, which has a connection with EDI vender.

The message must be received electronically prior to document acceptance.

Some vendors such as TRAXON provide web option for forwarders who do not have EDI connection.

Manual entry based on presented document.

If your computer cannot send FHL2 messages, NCA will offer manual entry.

In this case, NCA may set earlier cut off time for acceptance depends on each station's situation. (Please ask NCA sales representative)

Attached request sheet need to be completed and submitted with the MAWB at the time of acceptance.

EU Customs not provided the HAWB direct filing system.

If the accurate and complete information is not available by the specified timing, NCA reserve a right to refuse acceptance of the shipment or offload the shipment.

Whichever method you choose, following documents need to be attached to the MAWB at the time of acceptance.

Copy of the detailed consolidation manifest (or copy of each HAWB)

Consolidation manifests for each ULD if the shipment is build-up on several ULDS by shipper.

4. Cost measure

Since the implementation of the new regulation will increase our costs, NCA is forced to share part of the additional costs with our customers.

New miscellaneous charges with two levels based on the way to acquire HAWB information will be implemented from 1st January, 2011.

JPY 145*/HAWB if HAWB information is transferred via FHL2.

Charge should be inserted on the MAWB other charge box with the code CG.

If you transit FWB, CG followed by the amount should be entered in the other charge

line of the FWB.

JPY 600*/HAWB if HAWB information is manually captured by NCA.

Charge should be inserted on the MAWB other charge box with the code CC.

(* or the equivalent in local currency)

5. Information on the documents

1) Shipper information:

For consolidated shipment, the identity of the consolidator is sufficient at the MAWB level but the name and address of the actual shipper must be provided on House Manifest.

For non-consolidate shipment, the name and address of the original shipper must be provided.

2) Consignee information:

For consolidated shipment, the identity of the container station of broker is sufficient at the MAWB level but the name and address of the actual consignee must be provided on a House manifest.

For non-consolidated. Shipment, the name and address of the ultimate consignee must be provided.

3) Cargo description

For consolidated shipment, the description of "Consolidation as per attached manifest" should be indicated in the "nature and Quantity of Goods" box of the MAWB but precise description of the goods must be provided in the HAWB level.

For non-consolidated shipment, a precise description must be provided.

Generic descriptions such as "Electric goods" will not be accepted by EU Customs .

4) Number of pieces

Total number of pieces tendered must be shown in the "No of Pieces" box of the MAWB, and total number of the inner pieces based on the smallest external packaging unit also must be shown in the "Nature and Quantity of Goods" box as SLAC pieces.

6. Information on the EDI messages

1) Origin & Destination

Origin & Destination in the FHL should correspond to those in the FWB.

2) Shipper & Consignee information

FWB: For the consolidated shipment, the consolidator & the broker's name and

address, for the non-consolidated shipment, original shipper & ultimate consignee's name and address should be contained.

FHL: Original shipper & ultimate consignee's name and address at the HAWB level should be contained.

3) Cargo Description

FWB: For the consolidated shipment, "Consolidation" for the non-consolidated shipment, a precise description should be indicated in the "Rate description" line.

FHL: A precise description should be indicated in the "HBS" line. Since the "HBS" line can accommodate just 15 characters, the first 15 characters of the cargo description should be entered in the "HBS" line and full description should be entered in the "TXT/" line.

4) Number of piece

FWB: Number of piece tendered should be entered in the "Airway bill consignment details" line and SLAC pieces should be entered in the "Rate description" line.

FHL: Number of piece tendered should be entered in the "MBI" line and SLAC pieces should be entered in the "HBS" line.

7. Airlines responsibility

NCA is responsible for transmitting the information on the bases of what NCA believes to be true or correct, the shippers are ultimately responsible for completeness and correctness of the information. Therefore forwarders will be liable to NCA for any loss or expense NCA racked up due to incorrectness or incompleteness of provided information.

8. Confidentially of cargo information

NCA will only use the cargo information for transportation purpose.

NCA must maintain cargo information confidential unless requests from EU officials or other officials.

Thank you very much for your attention and continued support on NCA.

Sincerely,