

RULES

Nr. 141/2010 on cargo security

SECTION I

General provisions

Article 1

Goal of cargo security

The goal of cargo security measures according to these rules shall be to prevent any kind of hazardous substances, weapons and instruments that can be used to threaten people, ships or harbours, and that has not been granted specific authority for transport, from entering a restricted area or getting on board a transport vessel. Cargo security measures shall ensure, in an extremely effective manner, the security of cargo from its loading site to a storage area and in a restricted area.

Article 2

Definitions

In these rules the following definitions apply:

Cargo security: Preventive measures to secure cargo from any kind of threats compromised by terrorist and other unlawful acts.

Cargo security plan: Information on cargo security measures taken by a certified secure cargo handler.

Cargo: Each and every shipment of goods recorded on a manifest.

Cargo security representative: An employee of certified secure cargo handlers (e.g., exporters, cargo transporters and freight forwarders) who has been approved by the Director of Customs to act in a further specified capacity in respect of cargo security.

Cargo security seal: A special seal that the Director of Customs has manufactured for use in sealing export containers.

Cargo security declaration: A cargo security representative's declaration on the contents of cargo, et al., on a special form supplied by the Director of Customs. A copy of this document shall accompany goods to shipside.

Harbour area: Harbour area as defined in accordance with regulation of the harbour concerned.

Port facility: One or more areas within each harbour area according to a definition of the Icelandic Maritime Administration. A port facility can also be a restricted area.

Restricted area: One or more areas within a port facility. A restricted area, depending on circumstances, can also be a port facility. A restricted area can lie within a port facility or outside a specified port facility but within a harbour area.

Port cargo security representative: A person approved by the Icelandic Maritime Administration and designated for the development, implementation, revision and maintenance of the security plan.

Certified secure cargo handler: A party certified by the Director of Customs as a responsible party for loading cargo under these rules.

Article 3

Administration and implementation of cargo security

The Director of Customs has the overall supervision of cargo security according to these rules.

The Director of Customs is charged with informing and instructing exporters, freight forwarders, cargo transporters and other companies and port authorities on the preparation of risk assessments, security plans and other measures regarding cargo security. The Directorate operates a computerized cargo security system for cargo security plans, cargo security declarations and other data concerning cargo security, decides the form of cargo security seals and the publication of forms for cargo security declarations.

The Director of Customs certifies exporters, freight forwarders, cargo transporters and other companies as secure cargo handlers in respect of cargo security.

The Director of Customs sees to the instruction of customs employees involved in cargo

security as well as of other parties, when relevant.

Directors of customs, each in his customs district, are in charge of the implementation of cargo security measures according to these rules, including the inspection of cargo for export.

Article 4

Access of the Director of customs

The Director of customs have access to all data and information in offices of certified secure cargo handlers regarding cargo security and to the areas where goods for export are handled.

Article 5

Obligation to provide information

The Customs shall receive information on all goods, including access to export cargo manifests and export declarations, timely enough for inspection to be carried out before the goods are taken into the restricted area.

The Customs shall have access to monitoring systems and information stored in the systems.

The Customs can refuse to authorize movement of goods into a restricted area, i.e., if information is lacking.

Port cargo security representatives and cargo security representatives of secure cargo handlers shall provide the customs authorities with all information regarding cargo security which they discover in their work.

SECTION II

Cargo security and facilities in harbour areas

Article 6

Cargo security in restricted areas

In each export harbour a restricted area for goods to be exported shall be fenced off or demarcated.

A port facility and/or restricted area shall be access controlled and guarded visually or with cameras or other technology, depending on circumstances. Gates in a restricted area shall be under surveillance, where relevant, and there shall be monitoring within the area, including monitoring of the traffic of persons and vehicles, of access authorization and of cargo to ensure that nothing is done to goods stored there between being inspected and being loaded aboard a ship.

The Director of Customs can, when such is considered satisfactory, authorize visual demarcation to be employed of a restricted area for cargo if the restricted area is within the port facility, or the restricted area is also the port facility according to Icelandic Maritime Administration rules. This applies especially in instances where the port facility is small, there is little traffic through or next to the area, or few arrivals of ships, provided patrolling, access control, surveillance and monitoring of the area is assured.

Cargo unaccompanied by a lawful cargo security declaration may not be stored in a restricted area. A container that has not been sealed with a cargo security seal may not be moved into a restricted area.

Restricted areas that are not within a port facility shall be fenced off according to rules of the Icelandic Maritime Administration and carefully guarded while export goods are in the areas. A restricted area shall otherwise fulfil the conditions set by the Director of Customs.

The Director of customs administer to control and compliance with the rules.

Article 7

Facilities for cargo security control

In a port of exportation there shall be facilities for the Customs to inspect goods to be exported before they enter a restricted area.

The inspection facility shall be set up so that there is a sufficient area for the inspection of goods and other monitoring activities together with instruments and equipment for such tasks. It shall also be equipped so that unauthorized persons do not have access to the inspection facility during inspections.

SECTION III

Certification of parties, et al.

Article 8

Certified secure cargo handlers

The Director of Customs may certify the following as secure cargo handlers for the purposes of cargo security when loading and transporting cargo:

- a. Parties engaged in export trade, manufacturing or professional repair services that export goods regularly.
- b. Transporters and freight forwarders.
- c. Parties engaged in exporting, finishing, packing and loading of goods.

Certified secure cargo handlers shall be assigned a special authorization number.

The Director of Customs shall maintain a register of certified secure cargo handlers.

Freight forwarders and cargo transporters may be certified to act before the Director of Customs with respect to cargo security so that they can undertake cargo security on behalf of exporters of goods.

Article 9

Conditions for certification of secure cargo handlers

The Director of Customs certifies secure cargo handlers, cf. paragraph 1 of Article 8 subject to the following conditions:

- a. They have the stipulated licence or registration to engage in the relevant operations, such as registered trade, under Act No. 28/1998 on trading, an industrial licence, cf. Industrial Act, No. 42/1978, a processing licence, cf. Act No. 55/1998 on the handling, processing and distribution of seafood goods, or other required licences or registration.
- b. They have notified the Director of Internal Revenue of their operations and have been entered in the Register of Companies, cf. Act 17/2003 on the Register of Companies.
- c. They have notified the Director of internal revenue of their operations under Article 5 of Act No. 50/1988 on value-added tax.
- d. They have employees with sufficient knowledge of the Secure Sailing Act and rules on cargo security in addition to training in the security aspects of their work.

Certified secure cargo handlers, cf. subparagraph a. of paragraph 1 of Article 8, and their cargo security representatives may neither certify exports for other parties nor turn over secure cargo seals to others.

Article 10

Application for certification

Applications shall be made in writing to the Director of Customs for certification of secure cargo handlers, and for approval of those employees of the applicant requested to have permission to operate as cargo security representatives.

Application in electronic form shall be duly filled in by the manager or the executive director of the applicant as directed in texts accompanying boxes and sent by electronic means on the web site of the Director of Customs. Furthermore the application shall be printed out and signed by the manager or the executive director of the applicant and submitted to the Director of Customs. If an application is approved, the applicant will receive by e-mail a confirmation thereof from the Director of Customs.

An application shall *inter alia* contain information on the following items concerning exports by the company:

- a. Type of the company's business.
- b. Type of goods for exportation.
- c. Trading countries to which the goods are exported.
- d. Number of containers exported in the last 24 months and estimated number to be exported in the coming 12 months from the date of the application.
- e. Information on the designated cargo security representatives.

Because of the responsibility resting on applicants, there is an obligation to notify the Director of Customs immediately of all changes occurring in information provided in the application.

Notification of new cargo security representatives, nominated by a certified secure cargo handler, shall be sent electronically to the Director of Customs. If a nominated cargo security representative is approved, the applicant will receive by e-mail confirmation thereof from the Director of Customs.

The Director of Customs may demand detailed information concerning a nominated cargo security representative, for example, a criminal record certificate or career information.

Article 11
Cargo security plan

When a company begins its operation as a certified secure cargo handler the manager shall report on the general security measures taken in respect of cargo security. A cargo security plan shall provide information on security items concerning the company's implementation of cargo security. An electronic form and substance for a cargo security plan, determined by the Director of Customs, shall be duly filled in by the manager or the executive director of the applicant as directed in texts accompanying boxes. Cargo security plan must be lodged within the time limit determined by the Director of Customs.

Article 12
Revocation

The Director of Customs can revoke a secure cargo handler's certification if the conditions of Article 9 no longer are fulfilled or if he grossly neglects his duties concerning implementation of the cargo security measures.

SECTION IV
Cargo security declaration and seal

Article 13
Cargo security declaration

A cargo security declaration shall accompany each exported container of goods and goods in bulk. More than one empty container may be included on a single cargo security declaration. The secure cargo handler shall send the cargo security declaration by electronic means to the Director of Customs.

The form of the cargo security declaration is decided by the Director of Customs. The names of license holders, contents of a container, license numbers and number of the seal shall be recorded in a cargo security declaration. A cargo security declaration shall also state when the goods were loaded into the container or other means for transport, and identify the cargo security representative. The date of issue of the secure cargo declaration shall also be stated by the cargo security representative, the date of reception by the cargo transporter or a port cargo security representative, and the registration number of the means of transportation used for inland transportation or the means of transportation which will be exported in conjunction with the relevant container and other items as provided for in the form of the cargo security declaration.

After loading is finished, copies of the cargo security declaration shall be kept for at least three months by the port cargo security representatives or by cargo transporters referred to by them.

Article 14
Cargo security seal

All cargo containers loaded in Iceland for export shall be sealed with a bottle shaped seal that does not require a tool to close. Empty containers need not to be sealed. When a container is loaded the secure cargo handler shall seal the container on the container's outer door. The sealed container together with the cargo security declaration shall be submitted to the transporter.

The seal's upper half shall be blue and bear a running number after the abbreviation: IS-SCS, e.g. IS-SCS-121212.

Certified secure cargo handlers get seals from the Director of Customs for a fee according to tariff issued by the Director of Customs.

Parties who have received secure cargo seals from the Director of Customs shall keep them securely and take care that they are not lost or mishandled. If a seal must be broken, or if it is damaged, the Director of Customs shall be notified accordingly as soon as possible. Damaged or broken seals shall be preserved and then delivered to the Director of Customs. These seals shall also be recorded with an appropriate comment. If seals are lost or destroyed, a notice thereof shall be sent to the Director of Customs forthwith.

SECTION V
Handling of cargo
Article 15

Sealed containers, loaded or empty

A cargo transporter shall record the number of a cargo security seal and the number of a container in the cargo manifest and the bill of lading accompanying the container to its foreign destination.

When an exporter's cargo security representative has delivered to the port cargo security representative or to the cargo transporter's cargo security representative a loaded or an empty cargo container together with a cargo security declaration, responsibility for the shipment is deemed to pass to the security representative or the cargo transporter, depending on circumstances.

Article 16

Unsealed, loaded containers

An unsealed, loaded cargo container may not be moved into a restricted area of a cargo transporter or a port.

If a loaded cargo container arrives unsealed at a place of exportation, the port cargo security representative or the cargo transporter's representative shall see to it that it is not placed in the restricted area of the relevant port and also notify the Director of Customs thereof, who will decide measures to be taken in the matter.

Article 17

Movement of a sealed container to a restricted area

A container that has been sealed with a cargo security seal shall be moved immediately to a restricted area of the relevant port.

Article 18

Warehouses

Export goods stored in a cargo transporter's storage facilities waiting for exportation from Iceland shall be segregated as far as possible from other goods in the storage facilities.

When the time comes to load a cargo container, a secure cargo handler shall supervise the loading and then secure the container as stipulated in Articles 13 and 14.

Article 19

Exporters of household effects and others who have not been certified

Exporters who have not been certified can turn to secure cargo handlers, under subparagraphs b. and c. of paragraph 1 of Article 8, with planned exports to fulfil the conditions for cargo security.

Article 20

Rules on goods loaded by conveyor belt or with pumps

The cargo security representative of a secure cargo handler shall confirm in a cargo security declaration that during loading nothing has gone on board except the goods stated in the cargo security declaration. The authorization number of a secure cargo handler shall be recorded in a cargo manifest and/or bill of lading.

The loading area, the area between ship and land where connections are made together with pumping equipment and a control centre, shall be a restricted area during loading. An area around the loading equipment deemed suitable by the Director of customs shall be a restricted area.

Article 21

Cargo transported to shipside in sacks, pieces or bulk

The cargo security representative of a secure cargo handler shall confirm in a cargo security declaration that during loading nothing has gone on board except the goods stated in the cargo security declaration. The authorization number of a secure cargo handler shall be recorded in a cargo manifest and/or bill of lading.

Before loading or transportation the cargo security representative of a secure cargo handler shall submit a list containing the registration number of the motor vehicles which will be used for transport together with the name and identification number of the driver. A port cargo security representative or a cargo transporter shall confirm receipt of the goods.

An area around the loading equipment deemed suitable by the Director of customs shall be a

restricted area.

Article 22

Ferry terminals

At ferry terminals cargo shall be handled according to these rules.

SECTION VI

Penalties

Article 23

Penalties

Violations of these rules may be subject to imprisonment or fines in accordance with the provisions of the Secure Sailing Act, No. 50/2004, as amended.

SECTION VII

Entry into force and other provisions

Article 24

Security monitoring of passengers and crew

Directors of customs may undertake security monitoring in ports, including monitoring of the passengers and crews of ships, under a special agreement with the port authority at each location.

Article 25

Entry into force

These rules are issued according to paragraph 9 of Article 4 and Article 7 of the Secure Sailing Act, No. 50/2004, as amended by law No. 18/2007, and paragraph 1 of Article 195 of the Customs Law, No. 88/2005, as amended by law No. 167/2008, Article 7, and shall enter into force immediately. From the same date Rules No. 929/2008 on the same subject shall be abrogated.

The Director of Customs, 2 February 2010

Snorri Olsen

Sigurður Skúli Bergsson