



## Terms and Conditions

### Background and Overview of Advance Filing Rules on Maritime Container Cargo Information and Reporter ID

#### **Advance Filing Rules on Maritime Container Cargo**

On March 30, 2012, a bill to partially amend the Customs Tariff Act and relevant laws passed the Diet, and this amendment enacted the Advance Filing Rules. The Rules require vessel operators and NVOCC to electronically submit to Customs information on maritime container cargoes to be loaded on a vessel intended for entry into a port in Japan, in principle, no later than 24 hours before departure of the vessel from a port of loading (hereinafter "Advance Filing").

The information on maritime container cargoes filed in Advance Filing Rules will be assessed by Japan Customs for a risk. Advance Notice of Risk Assessment Result from Japan Customs may be sent in principle within 24 hours from filing if the cargo is identified as high risk from the viewpoint of national security such as for terrorism in the risk assessment. When the filing is made 24 hours before loading of a cargo on a vessel regardless of the legal deadline of 24 hours before departure of the vessel, the Filers can receive an advance notice before loading of the cargo, if their cargo is identified as high risk, and stop loading the cargo on a vessel.

Penal provisions under the Customs Act will apply if the filing is not made.

#### **Filers**

Those who are obliged to file cargo information under the Advance Filing Rules (hereinafter, "the Filers") are shipping companies who are contractors of carriage and own the cargo information based on Ocean (Master) B/L level at the time of departure of a vessel from a foreign port of loading intended for entry into a port in Japan. In addition, among the NVOCC, who own the cargo information based on House B/L level at the time of departure of a vessel from a foreign port, those who are direct contractors with the shipping companies are also the Filers.

#### **Method of Filing**

Under the Advance Filing Rules, the filing of cargo information must be made electronically through the Nippon Automated Cargo and Port Consolidated System (hereinafter, "NACCS"). This electronic filing requires access to a private network built in NACCS, which is not open



to the Internet. In order to access the private network, the Filers must enter into a service agreement individually with Nippon Automated Cargo and Port Consolidated System, Inc.(hereinafter, "NACCS Center"). Meanwhile, for the implementation of the Advance Filing Rules, it has been made possible for the Filers to make Advance Filing through the system of a service provider without newly entering into the service agreement with NACCS Center.

Notes: NACCS is a system managed and operated by NACCS Center for online processing of procedures taken with Customs and other relevant administrative authorities or related private sector services for arriving/departing ships and aircrafts and import/export cargo. NACCS, as a platform system that comprehensively manages logistics information in Japan, connects users via its private network and enables exchanges of import/export and port related information.

### **Necessity of Reporter ID**

In the case of using a service provider for filing, cargo information is sent to NACCS through the service provider. NACCS Center and Japan Customs, which receives the filing, need to accurately identify who has made the Advance Filing; therefore, Reporter ID will be issued to each Filer individually through the Reporter ID Issuance System in order to identify those who have made Advance Filing with Reporter ID attached to the filed information and manage properly the Filers information under applicable laws and regulations. Thus, the Filers who make Advance Filing through a service provider need to obtain their Reporter IDs.

In addition to Reporter ID, NVOCCs who are obliged to file cargo information based on House B/L level need to obtain 'NVOCC Code for House B/L' as well, which is to be filed together with House B/L number.

Consent to all the provisions of the Terms and Conditions below is required for obtaining and using a Reporter ID and a NVOCC Code for House B/L.

Please carefully read through the following:

## **Chapter I Reporter ID and Use of Reporter ID Issuance System**

### **Article 1. User Registration**

- 1 Information registered in the Reporter ID Issuance System to obtain a Reporter ID must be true and accurate on one's own responsibility. Implementation of Advance Filing with falsely registered information may be



punishable by law.

- 2 Any misuse or unauthorized use of the Reporter ID and the Reporter ID Issuance System or using them for the purpose of engaging in anti-social conduct is prohibited.
- 3 When obtaining the Reporter ID, the Reporter ID Issuance System can be used free of charge.
- 4 A corporation may obtain more than one Reporter ID. As various ways of filing are assumed, such as a head office makes all the filings or each business office at the port makes filings, the necessary number of Reporter IDs should be obtained depending on the circumstances of each corporation. However, a Reporter ID and a NVOCC Code for House B/L shall not be shared by multiple business operators.

#### Article 2. Filers' Obligation to Manage Information and Validity

- 1 Any change to the registered information must be updated in the Reporter ID Issuance System by Filers as necessary. Filers shall have the obligation to update their own information in a timely manner.
- 2 Filers shall be responsible for properly managing the Reporter IDs they obtained and passwords they registered. With respect to information filed under the Advance Filing Rules, NACCS Center will deem the information to have been submitted by a Filer whose Reporter ID is included in the information; therefore, the Filer who has registered the ID shall be liable for any unauthorized use or other incidents arising from the submitted information.
- 3 No Filer may provide any Reporter ID, NVOCC Code for House B/L and password to any third party other than service providers to be used and allow the third party to either use the Reporter ID Issuance System or make any Advance Filing. In addition, no Filer may use a Reporter ID, NVOCC Code for House B/L and password obtained by others to either use the Reporter ID Issuance System or make Advance Filing.
- 4 If a Filer has become aware of any unauthorized use of its Reporter ID, NVOCC Code for House B/L and password, the Filer shall change the password or suspend the ID in the Reporter ID Issuance System or request that service provider suspend the Reporter ID.
- 5 The effective term of a Reporter ID shall be for 90 days from the date of the initial issuance date of the ID or one (1) year from the date of the last use of



the ID for Advance Filing. However, as a special setting for all the Reporter IDs obtained before February 13, 2014, they will be valid till August 31, 2014 even without any use from the initial issuance date. When a Reporter ID is expired, a NVOCC Code for House B/L related to the Reporter ID will also be expired.

- 6 A Filer whose Reporter ID has become no longer needed shall suspend the ID through the Reporter ID Issuance System.

#### Article 3. Information Management by NACCS Center and Japan Customs

- 1 NACCS Center and Japan Customs shall neither divulge the Filers' information obtained via the Reporter ID Issuance System nor use it for other purposes.
- 2 Of Filers' information, personal information shall be handled properly in accordance with the Act on the Protection of Personal Information" (Act No. 57 of 2003; hereinafter, the "Personal Information Protection Act") and other relevant laws.

### Chapter II Service Providers

#### Article 1. Use of Service Providers

- 1 In order to make Advance Filings using service provider, each Filer may choose the service provider at its own discretion. Therefore, each Filer needs to directly contact a service provider published on the Advance Filing Rules website of NACCS Center before filing. Advance Filing through a service provider may require conclusion of a separate service agreement and fee payment between a Filer and a service provider. Please contact the service provider individually for fees and other relevant information. With respect to any claim, lawsuit, and legal action, including those made by a third party, relating to or arising from an agreement made between a Filer and a service provider, NACCS Center shall have no concern with nor liability for any legal liability and expenses (including legal fees) resulting from any claim, loss, damage lawsuit, trial, and charge.
- 2 When using a service provider, please follow the instructions of the service provider, including the method of obtaining a Reporter ID.

#### Article 2. Communication from NACCS Center and inquiries from Filers

- 1 Communication from NACCS Center to Filers will be made via service



providers or posting on the Advance Filing Rules website of NACCS Center. Filers shall be responsible for checking such information.

- 2 Any system related inquiries including the use of the Reporter ID Issuance System should, as a general rule, be made through service providers.
- 3 Inquiries concerning Customs procedures including those related to the Advance Filing Rules should be directed to the contact set forth by Japan Customs.
- 4 If a Filer needs to contact NACCS Center directly, it must do so either in Japanese or English.

### Article 3. Change of Service Providers

- 1 Available service providers may be changed. Once a change of service providers has occurred, NACCS Center will promptly disseminate information on the Advance Filing Rules website of NACCS Center as to the service providers subject to the change and the scheduled date of the change (scheduled starting or ending date of connection). In the case of newly adding a service provider, the information will be disseminated upon its entering into a connection agreement with NACCS Center. If a service provider has become unavailable due to termination of an agreement, the information will be disseminated by one (1) month prior to the scheduled ending of the connection. A Filer using a service provider whose connection is to be terminated needs to secure an alternative service provider for an environment that enables Advance Filing. NACCS Center shall have no concern with the securing of the alternative service provider.
- 2 In addition to what is provided in the preceding Paragraph, pursuant to agreements between NACCS Center and service providers, if a service provider is considered to fall under the conditions listed below, the connection between NACCS and the service provider's system may be terminated. In such case, Filers using the service provider needs to promptly secure an alternative service provider for an environment that enables Advance Filing.
  - (i) Service provider has not taken corrective action despite NACCS Center's repeated demands based on the fact that service provider is evidently in violation of any term of this agreement or in non-compliance with the EDI specification developed by NACCS Center.
  - (ii) Service provider has falsified data transmitted via service provider's



system from service provider users' input-output devices to NACCS or from NACCS to service provider users' input-output device.

- (iii) Service provider has used or has attempted to use service provider system for purposes against public decency and morality.
- (iv) Service provider has intentionally or negligently interfered with smooth implementation of Advance Filing pursuant to paragraph 7 or paragraph 8 of Article 15 of the Customs Law and thereby NACCS Center considers it is inappropriate as the act of service provider; and service provider has not taken corrective action despite NACCS Center's repeated demands.
- (v) Service provider has obstructed or is likely to obstruct the operation of NACCS.
- (vi) Service provider is subject to seizure, provisional seizure, public auction due to national tax delinquent or other financial obligation service provider is bound by, or is under proceedings for corporate or special liquidation, corporate or civil rehabilitation or bankruptcy.
- (vii) Service provider has received a notice of suspension or revocation of its business license or revocation of its business registration by relevant regulatory authorities.
- (viii) Service provider is deemed to be in the conditions described in (vi) or (vii) above or equivalent in the country where service provider is based.
- (ix) Service provider has resolved to dissolve its corporation.
- (x) Service provider has received a notice of or issued a dishonored check or bill.

### Chapter III Handling of Failures

- 1 In the case of finding any failure of NACCS or a service provider's system, NACCS Center shall immediately report to that effect on the Advance Filing Rules website operated by NACCS Center.
- 2 If a Filer is unable to file electronically via NACCS due to a system failure of NACCS or a service provider, the Filer may, if Japan Customs so instructs, make the filing by a magnetic disk (including an object that may securely record certain matters by an equivalent method) or submission of a document. Filers shall receive from their service providers or check the Advance Filing Rules website of NACCS Center for necessary communication and information.
- 3 A Filer who is unable to make electronic filing due to reasons other than



those described in the preceding paragraph shall seek directions on reporting methods from the contact specified by Japan Customs.

## Chapter IV Roles of NACCS Center and Disclaimers

### Article 1. Operation Hours and Maintenance Obligation of NACCS Center

- 1 NACCS shall operate 24 hours a day except for maintenance hours.
- 2 In the case of suspending NACCS for maintenance or conducting statutory inspections on power supply facilities, NACCS Center shall notify such information through the methods specified by NACCS Center in advance.
- 3 NACCS Center shall maintain and improve the parts listed below and maintain the performance based on their specifications.
  - (i) Computers and other devices comprising NACCS
  - (ii) Lines connecting Network Backbone with NACCS
  - (iii) Network Backbone and Access Lines including routers provided by NACCS Center
- 4 NACCS Center may monitor or record communication situation in order to ensure the security of NACCS.

### Article 2. Disclaimers of NACCS Center

- 1 NACCS Center shall have no liability for any loss or damage a Filer has incurred in relation to the use of Reporter ID, Reporter ID Issuance System, and related services or Advance Filing.
- 2 NACCS Center does not guarantee the performance of the Reporter ID Issuance System. The Reporter ID Issuance System is provided as it is, and NACCS shall have no liability for any loss or damage a Filer has incurred in relation to the system.
- 3 In case of emergency with respect to NACCS and the Reporter ID Issuance System, NACCS Center may suspend or limit the use of these systems without notice to Filers.
- 4 In case of any dispute arising between a Filer and a service provider or any other third party, the Filer who is the party to the dispute shall resolve it at its own responsibility and indemnify and hold harmless NACCS Center.
- 5 NACCS Center may change the content of services it provides without obtaining consent of Filers.



## Chapter V Miscellaneous Provisions

- 1 A Filer must not assign nor transfer any rights and obligations arising from consent of the Terms and Conditions to any third party.
- 2 NACCS Center may, if deemed necessary, revise these Terms and Conditions without prior notice, and the revised Terms and Conditions shall be deemed to have been agreed upon with the fact of Advance Filing after the revision. However, in the case of a change that is considered by NACCS Center to have a significant impact on Filers, such a change will be reported in advance within a reasonable time.
- 3 Any claim or controversy arising out of or relating to this Terms and Conditions or the breach thereof shall be settled by court of first instance of Tokyo District Court which shall have exclusive original jurisdiction over all proceedings.
- 4 Any dispute resolution shall be governed and construed in accordance with the laws of Japan.