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Guidelines for Air Cargo Agent, Registration, Qualifications and Retention

This Egyptian Advisory Circular (EAC) describes and provides guidance for Requirements of Air Cargo Agent for Registration, Qualifications, training and Retention for operation under Part 111 of Egyptian Civil Aviation Regulations. Compliance with these guidelines is not, in itself, mandatory and does not constitute a regulation. This EAC is issued for guidance purposes to outline a method of compliance with the regulations. An applicant may elect to follow an alternate method, provided that alternate method is found acceptable by the Egyptian Civil Aviation Authority (ECAA).

1. Definitions:

Cargo Agent: means a person or organization authorized by an airline to receive shipments, execute Air Waybills and collect charges. An IATA cargo agent is one that is recognized by IATA as having met its requirements for an IATA registered cargo agent.

Operator: Means a person, organization or enterprise engaged in or offering to engage in an aircraft operation.

Carrier —see Operator.

Freight Forwarder: Means a person or organization which performs services designed to assure and facilitate the transport of goods (such as receiving, trans-shipping or delivering).

Consignment: One or more packages of dangerous goods accepted by an operator from one shipper at one time and at one address, receipted for in one lot and moving to one consignee at one destination address.

Consolidation: A consignment of multi-packages which has been originated by more than one person each of whom has made an agreement for carriage by air with another person other than a scheduled air carrier. Conditions applied to that agreement may or may not be the same as conditions applied by the scheduled air carrier for the same carriage.

Consignee: Any person, organization or government which is entitled to take delivery of a consignment.

Note: The name and address of the consignee which appears on the Shipper's Declaration for Dangerous Goods form may differ from that on the Air Waybill.

An enclosure used by a single shipper to contain one or more packages and to form one handling unit for convenience of handling and stowage. Dangerous goods packages contained in the over pack must be properly packed, marked, labeled and in proper condition as required by these Regulations.

Over pack: For cooling purposes, an over pack may contain Carbon dioxide, solid (dry ice), provided that the over pack meets the requirements of Packing Instruction 904. (A Unit Load Device is not included in this definition.) **Note:** Shrink-wrap or banding may be considered an over pack.

Dangerous Goods: Dangerous goods are Sections or substances which are capable of posing a risk to health, safety, property or the environment and which are shown in the list of dangerous goods in these Regulations or which are classified according to these Regulations.

TACT: TACT stands for The Air Cargo Tariff. It is published by IAP -- International Airlines Publications, an IATA company.

ID number: temporary identification number (ID) in the 8000 series assigned to an Section or substance for which no UN number has been assigned. (The prefix "ID" must always be used in conjunction with these numbers.)

Packing: The art and operation by which Sections or substances are enveloped in wrappings and/or enclosed in packaging or otherwise secured.

Air Waybill: means the document entitled "Air Waybill" made out by or on behalf of the shipper which evidences the contract between the shipper and Carrier for carriage of cargo over routes of Carrier.

2. Certification:

There are five phases in the certification process. Each phase is described in sufficient detail to provide a general understanding of the entire certification process. The five phases are:

- (1) Pre-application ECAA form 111/1
- (2) Formal Application ECAA form 111/2

- (3) Document Compliance
- (4) Inspection and Investigations
- (5) Approval

2.1 Pre-application Form 111/1

In this Guide, we have provided information on the requirements and procedures that apply for Applicants wishing to become an approved Air Cargo Agents under Part 111, in the place or places where they conduct their businesses. Application forms and instructions for completion may be obtained from the ECAA.

2.2 Formal Application ECAA Form 111/2

Required Documentation For Formal Application

Each Applicant is required to complete an application form designed to determine the identification, ownership, facilities, staff, legal entity, financial standing, sales and promotion of Applicant.

The following documents should accompany the application:

- (a) Checklist of documents (copies only) that should accompany this application;
- (b) Articles of Incorporation/association/Organization/registration and license to trade;
- (c) Current financial statements and balance sheet certified by chartered accountant, certified public accountant or certified general accountant;
- (d) Evidence of introductory cargo and dangerous goods training courses completed by staff handling cargo operations; and
- (e) Appropriate fees.

Application form should be submitted in duplicate. Each set of the answer script must be fully supported by the requisite documentary evidence except for the financial statements where only two sets are required

2.3 Document Compliance

All applications, with full supporting documentation and applicable fees should be sent directly to the ECAA, Accreditation Services-, at the FSS Office identified at the end of this EAC. All applications are acknowledged and Applicants are informed should any element be incomplete or, initially do not appear to meet the established criteria.

2.4 Inspection and Investigations

Inspectors and Investigators, neutrally acting on behalf of ECAA, will visit the sites indicated by the applicant. This visit seeks to ascertain that all the criteria are met. Particular attention is paid to ensure that the premises, staff meet the requirements and cargo handling equipment in order to prepare air cargo ready for carriage on behalf of Airlines. At the same time, the financial standing of the Applicant will be assessed, based on the previously supplied accounts and financial information.

When satisfactory site visits and financial reports are received, then details of the Applicant are published to all Member Airlines. The rules provide Member Airlines with thirty (30) days in which to protest by filing evidence indicating why an Applicant, who in their opinion, fails to meet the criteria. If the applicant meets all qualifications and no protest is received, then promptly thereafter approval will be given. The approval decision is notified to all Member Airlines and to the Applicant within forty-five (45) days of publication.

2.5 Approval

A successful Applicant will be sent an approval letter advising of the assigned ECAA numeric code and effective date of approval/registration. The Agent's duplicate copy of the Cargo Agency Certificate, counter-signed by ECAA and Air Cargo Agent's manager in charge. The newly registered Air Cargo Agent must keep in the agency office the IATA Cargo Agent's Handbook, the TACT Rules and the latest edition of the IATA dangerous goods regulations.

Disapproved Applicants will be notified of the grounds for disapproval. A rejected Applicant may, within thirty (30) days, request reconsideration of the decision by the ECAA or, following reconsideration, may invoke the procedures for review by the ECAA. A re-application may be made as soon as the grounds for disapproval have been corrected.

In order to ensure that all registered Cargo Agents on the official Cargo Agency List continue to meet the criteria, periodic reassessments are conducted. In addition, any registered Agent undergoing changes to its financial or legal structure, name, ownership or premises is required to promptly notify ECAA. Certain changes may affect the registered status of an Agent and may be subject to review procedures under the Air Cargo Agency Rules.

3. Qualifications/Criteria Required for Approval of an Air Cargo Agent

Successful Applicants must meet certain minimum criteria in order to be listed as registered ECAA approved Air Cargo Agents and, continue to meet these standards in order to be retained in the official ECAA approved Air Cargo Agency List Data Base.

3.1 Staff requirements and Qualifications

The Applicant shall employ at all places where cargo is prepared ready for carriage full-time staff competent and qualified to provide the services and handling functions necessary to make air cargo ready for carriage. Evidence, in the form of training certificates, should be submitted showing that:

- (a) Two (2) persons hold a basic or introductory qualification in air cargo (IATA/FIATA Introductory Training Course, or an ECAA/IATA Member Airlines' introductory/basic training course, or acceptable equivalent); and
- (b) Two (2) such persons have recently completed a Dangerous Goods Training course (of an Airline, or IATA/FIATA, or an accepted ECAA equivalent course, within the previous two years).

3.2 Financial Requirements

Applicants and registered as an Air Cargo Agents are expected to have satisfactory financial and credit standing. An evaluation is conducted on the Applicant's independently produced financial statements. These should consist of a current audited Profit and Loss Statement and Balance Sheet, prepared in accordance with local accounting practices, as well as an Aging Analysis of Account Receivables and Payables. An Applicant may be required to provide additional information as may be necessary to complete the financial evaluation. Financial statements meeting certain established criteria, such as a positive liquidity and a net profit before tax, may be considered satisfactory. Should one of established criteria not be met, then additional financial support may be necessary. This support may take the form of a bank or insurance guarantee/bond equal to average turnover for a period as determined appropriate for each country. Also, there are countries where bank or insurance guarantee/bond is a requirement. Agents failing to meet any of the standards or failing to supply financial support where requested will not be considered as financially satisfactory. Insolvent companies will also not be considered as financially satisfactory. The financial standing of Agents is reviewed periodically.

3.3 Suitability of Premises & Cargo Handling Equipment

Suitable premises are to be maintained and operated by an Applicant for the promotion or sale of international air cargo transportation over the lines of Members, "Operators or Carriers" and for the handling of consignments. The operator should have Warehouse Facilities pursuant to part 113 which comply with National Security Standards and which are equipped to prepare airfreight ready for carriage.

3.4 Processing and Handling

The applicant's premises, staff and equipment should be capable of performing the following functions as a minimum:

- (a) Quoting Member Airlines' rates, charges and related conditions;
- (b) Assisting customers regarding the formalities for transportation of cargo by air, including reservation service;
- (c) General acceptance of all consignments for carriage and delivery to a Member Airline at an airport ready for carriage
- (d) Including restricted articles in accordance with the applicable Dangerous Goods regulations; and
- (e) Collecting charges from customers and remitting monies due to carriers. (CASS)
- (f) Adhering to security control measures as prescribed by the responsible authority(ies),

4. License to Trade and Other Requirements

An applicant shall have a valid license to trade and comply with any other national legal requirements in the operation; and

The Applicant's insurance should be adequate to cover its liability for loss or damage to shippers' cargo whilst in its charge or custody.

An Applicant may not be approved if a director or shareholder or person of general management has been found guilty of business violations or is an undercharged bankrupt. Nor if any such person has held a similar position with an Air Cargo Agent in default or with outstanding debts to Member Airlines. However, if ECAA is satisfied

that such person did not cause such default and can be relied upon in future to comply with the terms of the Cargo Agency Agreement the Applicant may be approved.

5. Accreditation - Cargo Agents

- 6. The Cargo Accounts Settlement System (CASS)** their registered Cargo are subject to. Is an industry settlement scheme for the computerized processing of accounting between Cargo Agents and Airlines. The CASS simplifies airline/agent reporting and remittance, saves costs and improves cash flow. Freight forwarders settle amounts due to the various Airlines they do business by means of one payment made to a single central accounting office in a country operated neutrally by IATA. At the beginning of 1999, twenty-six CASS Offices are already in operation worldwide, with several others planned for implementation in the near future.

7. DG Training Course Recognized

Programs designed and monitored by training specialists from major international airlines and freight forwarders, are aimed at helping cargo agents in their efforts to train their staff. The IATA/FIATA home-study courses are available worldwide and diploma examinations are held twice yearly in all countries of operation.

The following courses are available in English:

Introductory Course Cargo.

Advanced Module 1 TACT Cargo.

Advanced Module 2 Dangerous Goods.

Refresher Dangerous Goods Course (24 M)

Leading to the IATA/FIATA Introductory Course Diploma, the IATA/FIATA Introductory Course is one of the requirements for accreditation as an IATA Cargo Agent. The Introductory Course takes into account a number of changes in the air cargo industry and the evolution of the industry towards the adoption of the Montreal Protocol.

9. Change in Agency:

Under the terms of the Cargo Rules, Freight Forwarders/ Agents are required to notify the Agency Administrator of any proposed change in the ownership, legal status, name or address of their agency and such changes are subject to the provision of section 5 of the Cargo Agency Rules.

9.1 Change of Ownership and/ or Legal status

Agents are reminded that they shall not assign any of their rights or obligations under their Cargo Agency Agreement without the consent of Members. Therefore, if a change of ownership and/or legal status is proposed, notice of such change must be given to IATA at least 30 days prior to its effective date.

9.2 Change of Ownership and/ or Legal status

If a Cargo Agent wishes to change its name or address, prior notice has to be given to the ECAA in order that an application for approval of the change may be properly processed and all Members thereby advised.

The consequences of overlooking the requirements for giving prior notice could be detrimental to the continuation of an Agency status as a Cargo Agent and the importance of advising all Members of any change ahead of time cannot be overstressed.

10. Security Requirements:

The Cargo Agent shall adhere to all relevant security requirements. And to ECAR Part 175 (Transport of Dangerous Goods) regulations.