Prohibited Cargo Policy

May 27, 2025

1. Items Prohibited by Law (International or National)

A. Weapons and Explosives

Transportation of weapons and explosive materials is strictly prohibited under both international and national laws unless under specific, regulated exemptions. This includes but is not limited to:

- Firearms (pistols, rifles, shotguns), parts, and components.
- Ammunition of any caliber.
- Military-grade weapons and munitions.
- Dynamite, C4, grenades, detonators, and explosive devices.

These items are regulated under instruments such as the UN Firearms Protocol, the Wassenaar Arrangement, and national licensing regimes. Carriage without government-issued export/import permits is a criminal offense.

B. Narcotics and Controlled Substances

Strictly prohibited items include narcotics and psychotropic substances listed under international conventions (e.g., the 1961 Single Convention on Narcotic Drugs). Examples include:

- Heroin, cocaine, LSD, methamphetamines.
- Prescription medication not accompanied by a proper pharmaceutical license or customs declaration.

Authorities such as DEA (USA), ECDD (WHO), and national anti-drug agencies maintain lists of controlled items.

C. Counterfeit or Pirated Goods

Prohibited under intellectual property laws, these include:

- Fake designer clothing, accessories, watches.
- Unlicensed copies of software, music, or films.

- Unauthorized replicas of branded electronics. Violation of these laws can lead to seizure, civil litigation, or criminal prosecution.

D. Hazardous Waste or Radioactive Materials

Regulated under treaties like the Basel Convention and IAEA safety standards. Prohibited materials include:

- Toxic industrial waste.
- Spent nuclear fuel, uranium, or plutonium isotopes.

These items pose grave health and environmental risks and must never be transported without full compliance.

2. Items Prohibited by Mode of Transport (e.g., IATA, IMO Regulations)

A. Air Freight (IATA Dangerous Goods Regulations - DGR)

Air transport is governed by the IATA DGR, which strictly regulates the movement of certain cargo types. Items prohibited or restricted for air freight include:

- Lithium-ion and lithium-metal batteries (certain capacities), especially when improperly packed or damaged.
- Flammable liquids such as gasoline, acetone, and certain cleaning solvents.
- Flammable solids including matches or metal powders.
- Strong magnets or magnetic substances that interfere with aircraft navigation.

Airlines often require Shipper's Declarations, UN classification numbers, and certified packaging for even regulated items, and non-compliance can result in flight delays, penalties, or confiscation.

B. Sea Freight (IMO/IMDG Code)

The International Maritime Organization (IMO) publishes the IMDG Code, which regulates hazardous materials at sea. Prohibited cargo includes:

- Toxic gases such as chlorine and methyl bromide.
- Corrosive acids like hydrochloric and sulfuric acid in unsecured containers.

- Reactive chemicals, such as those that generate heat or toxic fumes when exposed to water.
- Unstable peroxides or waste chemicals without safety data sheets (SDS). While many dangerous goods can be shipped with permits and precautions, failure to comply risks environmental damage, port liability, and cargo rejection.

3. Items Banned in Specific Countries or Regions

Trade laws and cultural customs vary significantly around the world. Failure to adhere to national import/export rules can result in confiscation, penalties, or prosecution.
Examples:

- Alcohol, pork, or religious texts in Saudi Arabia, Iran, and certain Gulf states.
- Pornographic or adult-themed material in countries with strict moral laws (e.g., Indonesia, UAE).
- Books or digital media deemed politically subversive in authoritarian states.
- Goods classified as "dual-use" (e.g., drone components, sensors, encryption technology) to countries under UN, EU, or US embargo (e.g., North Korea, Iran, Syria).

Shippers must check with national customs databases (e.g., U.S. Commerce Control List, EU Dual-Use Regulation Annexes) before sending potentially restricted items.

4. Items Prohibited by Carriers or Logistics Providers (Policy-Based)

Each logistics provider may enforce its own prohibitions based on risk appetite, insurance limitations, and operational capabilities. Commonly excluded items include:

- Currency (cash, coins), uncut diamonds, or gold bullion—due to high theft risk and insurance limits.
- Perishable food items (e.g., fresh seafood, dairy) where cold-chain tracking is not feasible.
- Live animals, insects, or reptiles unless the logistics company is certified and equipped for live transport.
- Human remains, ashes, or biological samples, which require extensive documentation and often government approval.

Clients should consult individual carrier guidelines (e.g., DHL, FedEx, Maersk) and pre-declare all sensitive items to avoid returns, delays, or fines.

5. Cargo Compliance & Screening Checklist

To ensure legal and operational compliance, Transcontinental Group International Limited follows a robust screening protocol:

A. Know Your Cargo:

- Determine HS Code, product description, and technical specifications.
- Identify if the cargo is hazardous, perishable, dual-use, or strategically controlled.
- Cross-check against client declarations and supporting documentation.

B. Screen for Prohibited or Restricted Items:

- Check against national and international control lists (e.g., US CBP, EU TARIC, Hong Kong C&ED).
- Validate license or certificate requirements (e.g., CITES permits, veterinary documents).
- Use internal cargo classification tools and AI-based flagging systems.

C. Sanctions & Trade Control Screening:

- Screen sender and consignee against OFAC, UN, BIS, and EU lists.
- Block transactions with SDNs (Specially Designated Nationals) or blacklisted organizations.
- Confirm destination country is not embargoed or sanctioned for the cargo type.

D. Carrier & Mode Compliance:

- Check for compatibility with mode-specific safety and documentation requirements.
- Validate packaging, weight, labeling, and handling instructions.
- Ensure goods meet IATA or IMDG classification and shipper declaration requirements.

E. Client & End-Use Due Diligence:

- Assess customer risk level, background, and business legitimacy.
- Determine the end-use scenario (e.g., military vs. civilian applications).
- Collect End-User Certificates or Statements of Non-Military Use when applicable.

F. Documentation Review:

- Check for completeness and consistency in Commercial Invoice, Packing List, MSDS (if chemicals), and any export/import permits.
- Review Airway Bill or Bill of Lading for declared contents and consignee data.
- Audit for false or misleading declarations.

G. Engage with Customs & Legal Advisors:

- Collaborate with local customs brokers to resolve classification issues or obtain temporary permits.
- Monitor updates to trade legislation, especially on sanctions, export control laws, and strategic commodities (e.g., in Hong Kong).
- Maintain consultation logs and compliance checklists for each shipment as audit evidence.

6. Region-Specific Prohibited Cargo and Trade Regulations

a. United States of America (USA):

The U.S. enforces some of the most comprehensive export controls globally through the following regulatory frameworks:

- Export Administration Regulations (EAR) overseen by the Bureau of Industry and Security (BIS) for dual-use items.
- International Traffic in Arms Regulations (ITAR) managed by the Directorate of Defense Trade Controls (DDTC) for military-grade equipment.
- Office of Foreign Assets Control (OFAC) sanctions, which prohibit trade with individuals, entities, or countries listed as Specially Designated Nationals (SDNs).

Commonly prohibited or controlled cargo includes:

- High-spec semiconductors and telecommunications equipment (especially to China, Iran, North Korea).
- Encryption software and technology transfers.
- Dual-use drones, imaging sensors, and navigation systems.
- Controlled chemicals and biological agents.
- Goods shipped to embargoed destinations (e.g., Cuba, Syria, Iran, North Korea, certain Russian sectors).

Violations of these controls can result in civil fines up to $300,000 per violation and criminal penalties including imprisonment.
Shippers must ensure compliance by reviewing EAR classification numbers (ECCNs), end-use restrictions, and performing denied party screening prior to export.

b. European Union (EU):

The EU operates under a harmonized regulatory framework across member states. Key elements include:

- EU Dual-Use Regulation (Regulation (EU) 2021/821), covering items that can be used for both civilian and military purposes.
- Sanctions and embargoes administered by the European Commission's Service for Foreign Policy Instruments (FPI).
- Prohibition on arms, surveillance equipment, and cyber tools exported to repressive regimes.

Examples of restricted cargo in the EU:

- Surveillance and interception tools used for human rights violations.
- Advanced machine tools, lasers, and composite materials to sanctioned countries.
- Goods bound for sanctioned territories including Iran, Russia (certain sectors), Belarus, and North Korea.

EU member states may have national licensing requirements in addition to EU-wide measures. Exporters must verify via TARIC (the EU customs tariff database) and consult the respective national licensing authority.

c. Hong Kong:

Hong Kong has a separate customs and trade regime from mainland China, though increasingly aligned with Chinese national security concerns.

Key regulatory instruments include:

- Strategic Commodities Control System governed by the Trade and Industry Department (TID).
- Import and Export Ordinance (Cap. 60) and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations.

Controlled or prohibited items include:

- Military equipment, high-speed computers, encryption technologies, and chemicals listed under the Wassenaar Arrangement.
- Firearms, ammunition, explosives, and radioactive materials.
- Items subject to UN sanctions (e.g., goods destined for North Korea or Syria).

All exports of strategic commodities require a license from the TID. Failure to obtain proper authorization can lead to heavy fines and imprisonment. Regular audits and random inspections are also conducted at air and sea ports.

Hong Kong also enforces dual-use export controls aligned with international standards and may ban items if the destination or end-use is deemed high risk.

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