



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Customs Policy
Customs Procedures

Brussels, 11 November 2008
Taxud/C/4 - MFB

TAXUD/1284/2005, Rev. 4
Orig. EN

Working document

SINGLE AUTHORISATION FOR SIMPLIFIED PROCEDURES

GUIDELINES

This document is based on a draft by the
Customs 2007 Project Group on Single European Authorisation and
will be discussed in forthcoming meetings of the
Customs Code Committee, General Rules Section

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GUIDELINES

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0. ABBREVIATIONS

AA	Administrative Arrangement
AAD	Administrative Accompanying Document
AEO	Authorised Economic Operator
CCC	Community Customs Code - Regulation (EEC) No 2913/92
CCIP	Customs Code Implementing Provisions - Regulation (EEC) No 2454/93
CED	Council Excise Directive
CN	Combined Nomenclature
CPEI	Customs Procedures with Economic Impact
e-AAD	electronic Administrative Accompanying Document
EMCS	Excise Movement Control System
EU	European Union
LCP	Local Clearance Procedure
MCC	Modernised Customs Code
MS	Member State
NSI	National Statistic Institute
P&R	Prohibitions and Restrictions
SASP	Single Authorisation for Simplified Procedure
SME	Small and Medium Enterprises
SDP	Simplified Declaration Procedure
VAT	Value Added Tax

1. INTRODUCTION

Single Authorisations for simplified procedures, former known as Single European Authorisations (SEA), is currently a scheme that enables an economic operator to be authorised in one Member State (MS) for all their non-EC import and export freight operations throughout the Community. This enables economic operators to centralise the accounting and payment of customs duties for all transactions in the authorising MS, although the physical control and release of goods may take place in another MS.

This approach has not proved possible for Value Added Tax (VAT). This is because VAT is a destination-based tax and has to be accounted for in the MS where the goods are 'consumed'.

Similarly, the provision of trade statistics will also continue to be based on the physical location of the goods.

The European Commission gave whole-hearted support to the project and, at a conference co-hosted in Brighton with the UK in 1997, called upon the customs administrations of the European Community (EC) and the trade to test the feasibility of SEA on the basis of a twin-track approach by:

- adopting pilot projects with individual companies and MS to assess the practical and administrative issues; and
- evaluating the legal issues involved.

In order to conduct the pilot projects, some groundwork was needed to ensure there would be adequate safeguards in place to protect the interests of the MS involved.

Some form of co-operation agreement is required between the customs administrations involved in any pilot project. This Administrative Arrangement covers areas that are not provided for in the Customs Code and Implementing provisions.

There is also the issue of the 25% of customs duties that MS are allowed to retain to cover their collection costs. Customs duties collected in all MS are termed EC 'Own Resources' (OR) and are used to fund its budget. Under the SEA scenario, the whole 25% accrues to the authorising MS in which the duty was paid. This is at the expense of the participating MS, where the goods were physically controlled and released. Delicate negotiations have therefore been necessary to arrive at reciprocal arrangements permitting a fair division of the administrative costs.

There are also national obligations that the economic operators will need to follow. The message is therefore that although a common approach can be agreed in certain areas, an economic operator will still have to comply with national rules and regulations in each Member State involved in the Single Authorisation for simplified procedures.

The Commission has set up a working group with a view to encouraging the use of Single Authorisations for simplified procedures, devising standard procedures, producing guidelines and making recommendations for changes in the Implementing Provisions. Progress reports, or reports highlighting any significant problems or issues that arise, have been handled through the Customs Code Committee in Brussels. This will be the forum for all MS to contribute to the implementation of Regulation 1192/2008.

For the trade, Single Authorisation for simplified procedures offers the chance to centralise and integrate accounting, logistics and distribution, thereby saving on administrative and transaction costs.

A successful outcome is in everyone's interest and will go some way to achieving the EC's 'Customs 2000' objective that "the customs administrations of the MS may operate as efficiently and effectively as would a single administration".

The following guidelines have been produced by the working group to help MS solve any problems which may occur, particularly where different national laws apply. These guidelines apply *mutatis mutandis* to national authorisations for simplified procedures.

2. SINGLE AUTHORISATION FOR SIMPLIFIED PROCEDURES

2.1. Criteria for application

Where a single authorisation for simplified procedures is applied for, the conditions and criteria to be fulfilled are the same as those mentioned in Part I, Title IX CCIP, Articles 253, 253a and 253c (authorisations for simplified procedures at national level).

For the granting of the authorisations for simplified procedures the customs authorities shall apply Article 14a (2) CCIP.

Where the applicant holds an AEO certificate referred to in point (a) or (c) of Article 14a (1) CCIP, the conditions and criteria of the following points 2.1.1. and 2.1.2. are deemed to be fulfilled.

2.1.1. Simplified declaration procedure

Authorisation for the simplified declaration procedure shall be granted provided that the conditions and criteria laid down in Article 14h, with the exception of point (c), paragraph 1, in points (d), (e) and (g) of Article 14i and in Article 14j CCIP are fulfilled.

2.1.2. Local clearance procedure

Authorisation for the local clearance procedure shall be granted provided that the conditions and criteria laid down in Article 14h, with the exception of point (c), paragraph 1, in Article 14i and in Article 14j CCIP are fulfilled.

2.1.3. Cases where the applicant is a representative

If the applicant is a representative, the authorisation for the simplified declaration or the local clearance procedure shall be granted provided that satisfactory records and procedures are in place allowing the authorising customs authority to identify the persons represented and to perform appropriate customs controls.

2.1.4. Explanations to the conditions and criteria:

For the explanation of the conditions and criteria to grant Single Authorisations for simplified procedures, the information referred to in Authorised Economic Operator Guidelines, Part 2 shall be used, as applicable.

These Guidelines can be consulted in the TAXUD customs and security website:

Special attention shall be given to the possibility, if necessary, of an effective check and control of national Prohibitions and Restrictions as referred to in point 9.3 of the SASP guidelines

Criteria already assessed in connection with granting AEO status for customs simplifications according to article 14a (1) (a) or (c) CCIP will not be reassessed when granting a Single Authorisation for simplified procedures.

2.2. Application procedure

An application for a Single Authorisation for simplified procedures should be submitted either in writing, using the form set out in Annex 67 CCIP (see Annex I to this document), or electronically, where a Member State accepts or requires applications in electronic form.

The applicant should provide a central point of access for all information required by the customs authority in the issuing MS (e.g. main accounts, customs records and documentation) to permit an assessment of the criteria governing the granting of the authorisation. This includes:

- an examination of whether or not the company can fulfil its obligations;
- an audit of the administration and internal control of the company;
- a risk analysis.

The applicant should give written consent to the customs authorities for any exchange of information which may be necessary with other Member States involved in the authorisations, in connection with both the issuing procedure and the operation of the authorisation.

2.3. Who can apply?

An application can be made by any person, as defined in Article 4 No 1 CC, who meets the legal requirements and who is established in the EU, in accordance with Article 4 No 2 CC.

Where the applicant is an authorised economic operator, the requirements that were considered when AEO status was granted for customs simplifications according to Article 14a (1) (a) or (c) CCIP will not be reassessed. However, according to Articles 5 (3) and 64 (2) CC, an AEO established outside the Community cannot apply for a Single Authorisation for simplified procedures.

A Representative can apply and be granted an authorisation for the simplified declaration or the local clearance procedure for his own use or for use when representing his clients provided satisfactory records and procedures are in place allowing:

- the identification of the persons represented and

- appropriate customs controls in both the accounts of the authorisation holder of the and of the clients represented, where necessary.

A group of companies cannot apply for a Single Authorisation for simplified procedures. A single entity must apply and take responsibility for representing the others (making declarations, providing a guarantee, keeping records, etc) and act as a single contact point for the authorising administration.

When a single entity applies for a Single Authorisation for a simplified procedure, the name and address of the companies of the group which give local support to the holder of the authorisation (assisting in physical checks or in veterinary inspections, delivering goods to the customers, etc) in the different participant MSs shall be inserted in box 12.

Customs records may need to be made available to the participating Member State. All the members of the group are responsible in the case of serious irregularities.

The internal responsibility within the group must be laid down by arrangement between the members of the group. This division of responsibility must be made known to the authorising customs authority.

2.4. Where to apply

2.4.1. Applications for Single Authorisation are in accordance with Article 253h (1) subparagraph 1 of CCIP, to be submitted to one of the following customs authorities:

the customs authorities of the Member State where the applicant's main accounts, including all documentation and records enabling the customs authority to verify and monitor the conditions and the criteria necessary for obtaining, the Single Authorisation

- a) are held, and where at least part of the operations to be covered by the Single Authorisation are conducted, or
- b) are accessible in the applicant's computer system by the competent customs authority using information technology and computer networks, and where the applicant's general logistical management activities are conducted, and where at least part of the operations to be covered by the Single Authorisation are carried out.

2.4.2. If the competent customs authority can not be determined under point 2.4.1. a) or b), the application shall be submitted to the customs authority of the Member State where the applicant's main accounts related to the customs arrangements involved

- a) are held, or
- b) are accessible, as referred to under point 2.4.1. b), and the applicant's general logistical management activities are conducted.

This will mean that pre-audits and audit-based controls can be carried out more easily by the customs authorities, both in connection with granting and supervising the authorisation

2.5. Issuing procedure

After having verified by carried out pre-audits (see annex V), that the applicant qualifies for the authorisation, the customs authorities designated will in accordance with article 253j (1) of CCIP, send the application, the first draft of the authorisation, if necessary with the appropriate translations, and all necessary information for granting the authorisation to the other customs authorities concerned (central office(s) in the participating MS in accordance with article 253i (2) of CCIP) via the e-mail system, or make this information available using the communication system referred to in Article 253m once it is available, so that an acknowledgement of the receipt will not be necessary.

The competent customs authority shall in accordance with article 253j (1) and (2) of CCIP, make available the above mentioned information within the following time-limits running from the date on which the competent customs authority receives all the necessary information to accept the application:

- 30 calendar days, if the applicant has been previously granted the simplified declaration or the local clearance procedure or an AEO certificate referred to in point (a) or (c) of Article 14a (1) CCIP (until 31 December 2009 this period shall be replaced by 90 calendar days);
- 90 calendar days in the other cases (until 31 December 2009 this period shall be replaced by 210 calendar days);
- If needed, these time limits can be extended by 30 days and the applicant will be informed, by the authorising customs authority, of the reasons of this extension.

The customs authorities of the Member State(s) concerned shall in accordance with article 253k (2) of CCIP notify via the e-mail system any objections or shall communicate their decision(s) to the issuing customs authorities within 30 calendar days of the date on which the draft authorisation was received; if additional time is needed to make a decision, the supervising office must be informed within the same time limit of 30 calendar days. Where objections are raised within that period and no agreement is reached, the application will be rejected to the extent to which objections were raised. Before rejection of the application, the applicant must in accordance with article 253k (3) of CCIP, be allowed a period of 30 calendar days within which they have the opportunity to express their point of view.

An authorisation can only be granted if all the competent authorities concerned have given their explicit consent in writing or electronically or not reacted within the deadline.

The competent customs authority shall in accordance with article 253l (2) of CCIP issue the authorisation within 30 calendar days after receiving consent or no reasoned objections from the customs authorities of the Member State(s) involved, using the form as set out in Annex 67 of CCIP.

The authorising customs authority must send a copy of the agreed authorisation to all the competent authorities concerned.

2.6. Period of validity

The validity of a single authorisation for a simplified procedure is open-ended.

2.7. Integrated Single Authorisation

2.7.1. Definition

Integrated Single Authorisation (ISA) is defined in Article 1 (14) CCIP; it is a combination of single authorisations for the procedures as referred to in Article 1 (13) CCIP. That is, for example, a combination of Single Authorisations for simplified procedures and Inward Processing Relief.

2.7.2. Where to apply

The application for an Integrated Single Authorisation is in accordance with Article 253h (1) sub-paragraph 1 CCIP to be submitted to the customs authorities designated for the place where the applicant's main accounts are held or accessible facilitating audit-based controls of the arrangements and where at least part of the storage, processing or temporary export operations to be covered by the authorisation are conducted.

Where the competent customs authorities cannot be determined under the first subparagraph, the application shall be submitted to the customs authorities designated for the place where the applicant's main accounts are held facilitating audit-based controls of the arrangements.

The main accounts could be those accounts which are to be considered the main accounts for customs purposes allowing the customs authorities to supervise and monitor the arrangements.

An application for an Integrated Single Authorisation, covering also temporary importation, shall be submitted to the customs authorities designated for the place where the applicant's main accounts are held or accessible, as referred to in Article 253h (1), sub-paragraph 2 CCIP,

Where the customs authorities designated for the place where the applicant's main accounts are held or accessible are not the same as those designated for the place of first use, the applicant must submit two applications:

- one application for an Integrated Single Authorisation not including temporary importation to be submitted to the customs authorities referred to in Article 253h (1), sub-paragraph 2 CCIP, and
- one application for a Single Authorisation for temporary importation at the customs authorities designated for the place of first use as referred to in Article 500 (2) CCIP.

2.7.3. Application and authorisation procedure

The application procedure for an Integrated Single Authorisation for a simplified procedure is similar to the application procedure for SASP described in point 2.2 of these guidelines. It shall be made using the form set out in Annex 67 CCIP (see Annex I to this document), or electronically, where a Member State accepts or requires applications in electronic form. The appropriate forms and continuation forms shall be fulfilled according to the procedures the economic operator is applying for (free circulation, inward processing, end-use, customs warehousing, etc). In the application form for simplified procedures (box 2) the economic

operator must indicate not only the type of simplified procedure(s) but also the customs procedures with economic impact or end-use he is applying for.

For the application and authorisation of an Integrated Single Authorisation the provisions of these guidelines and guidelines for the customs procedures with economic impact (OJ C 269/2001, p. 1) shall apply.

An application for an integrated Single Authorisation may be analysed by one or more than one service or department, according the organisation of the national customs administration where the application is lodged. These services will have to work in a coordinated way and issue one integrated Single Authorisation including all the procedures the economic operator applied for and can be granted according to the conditions and criteria which need to be fulfilled for each one.

When one or more procedures of an integrated Single Authorisation is terminated, suspended or revoked, the authorisation will be amended accordingly.

3. OWN RESOURCES, ADMINISTRATIVE ARRANGEMENT

3.1. Background

An important issue to consider before participating in a Single Authorisation for simplified procedures is the sharing between Member States of the 25% of Own Resources (customs duties) that Member States are allowed to retain by way of collection costs when the duties are collected under this procedure.

Under current legislation there is no requirement for Member States (MS) to share these collection costs. However, participation in a Single Authorisation for simplified procedures requires cooperation and this needs to be considered when deciding on the share of collection costs between MS.

The Administrative Arrangement concerning the allocation, under SA for release for free circulation, of the national collection costs sets out the calculation of the amount of the collection costs to be transferred.

Possible scenarios for the sharing of the collection costs between the authorising Member State and the respective participating Member State are set out in Annex XI.

3.2. The Member States involved in the SASP are Participants in the Administrative Arrangement for release for free circulation

Where the Member States involved are Participants in the "Administrative Arrangement concerning the allocation, under Single Authorisation for release for free circulation, of the national collection costs that are retained when the Own Resources are made available to the EU budget, the Participants shall apply its provisions according to their respective national laws and procedures.

3.3. Responsibilities of authorising Member State

Where necessary, the authorising MS' customs administration should seek approval from its Ministry of Finance or other competent national administration for the sharing of collection costs insofar as this has not been done prior to the agreement to the Administrative Arrangement referred to in point 3.2.

The office responsible for the transfer of the collection costs must be advised of the details of the transfer, including the bank account of the participating MS.

It may be necessary to advise the supervising office of the transfer of the collection costs.

The authorising Member State shall send a detailed advice to the participating Member state (see annex II).

For audit purposes, the authorising MS should ensure that a summary document detailing payments made to the participating MS is sent to the appropriate office within the participating MS.

The format and timescale for sending the summary document should be agreed in advance between the MS involved in the Single Authorisation.

According the Administrative Arrangement, point 2, and where practicable, it may be necessary to send copies of the customs declarations to the participating MS.

3.4. Responsibilities of participating Member State

Where necessary, the participating MS' customs administration should seek approval from its Ministry of Finance or other competent national administration for the sharing of collection costs insofar as this has not been done prior to the agreement to the Administrative Arrangement.

The format and timetable for sending the summary document should be agreed in advance between the MS involved in the Single Authorisation.

The national office designated for the receipt of the summary document should check the details in the document and notify the authorising MS of any discrepancies.

Subject to agreement between MS, and where practicable, it may be necessary to return copies of the customs declarations to the authorising MS.

4. IMPORT VAT

4.1. Background

According to the VAT-Directive (EC/2006/112), the import VAT debt occurs when goods are imported. The place of importation is the Member State within the territory of which the goods are located when they are released for free circulation.

4.2. Requirement for import VAT

The economic operator should make customs declarations in the supervising Member State (MS). These will include declarations for goods physically released for free circulation in the participating Member State.

The economic operator will be required to make, in addition to lodging the supplementary customs declaration with the authorising customs authority for payment of customs duties, import VAT declarations in the participating MS. The format and timescale for submission of the import VAT declaration will depend on the requirements of the MS where the goods are physically released for free circulation. These VAT national requirements should be adapted, through legal amendments to the national law if necessary, in order to allow VAT payments under Single Authorisations for simplified procedures, for example a monthly declaration submitted in electronic form or on paper. Annexes III and IV give an overview of the relevant legislation and its implementation in the Member States.

Formalities concerning the exchange of information on import VAT declarations should be agreed between participating MS. The agreed procedures could be included in the joint control plan (see section 8).

Subject to agreement between MS, and where practicable, it may be necessary for the participating MS to send copies of import VAT declarations to the authorising MS.

The participating MS' requirements for submission of the import VAT declaration should either be included within the authorisation or as an annex to the authorisation.

5. EXCISE

5.1. Background

With regard to the excise goods, Member States have harmonized the system of moving these goods within the Community on the base of Directive 92/12 EEC.

Excise goods are:

- energy products and electricity as defined in the Directive 2003/967 EC;
- alcohol and alcoholic beverages as defined in the Directive 92/83/EEC and
- manufactured tobacco as defined in the Directive 95/59/EC.

For commercial purpose, tax will have to be paid in the Member State of consumption.

These guidelines refer to the draft of the new Council Excise Directive (CED) 593 (TAXUD/2418/2007) which presents the proposals for the revision of Directive 92/12.

5.2. Import of excise goods

Excise goods can be imported under tax suspension arrangements.

The procedure of tax suspension arrangement starts at the frontier after releasing the goods for free circulation (for Customs purpose).

For excise purposes an Administrative Accompanying Document (AAD) will be issued, which will become an electronic form (e-AAD) by 2009. When the movement of excise goods is covered by a transit procedure starting at the frontier, no AAD is required to accompany those goods.

By comparing the necessary data for an e-AAD and for a Single Administrative Document (SAD) in the case of a simplified procedure, it turned out that the data differs slightly. For example the consignors or consignees, who want to participate in the procedure of tax suspension arrangements, need to be authorised by the competent authorities at least with an excise number.

The draft of the CED will install a new legal person called the Registered Consignor beside the already existing Registered Consignee.

The movement under tax suspension arrangement starts at the frontier. The Registered Consignor, who is defined as a natural or legal person authorised by the competent authorities of the Member State of importation, under the conditions fixed by these authorities, to dispatch excise goods under the excise movement procedure.

- In the case of moving excise goods to a tax warehouse, tax will not be chargeable, as tax warehouses can also hold excise goods under tax suspension.
- In the case of moving excise goods to a Registered Consignee, excise duty is chargeable at the time he will receive the goods. The Registered Consignee is defined as a natural or legal person, authorised by the competent authorities of the Member State of his establishment, under the conditions fixed by these authorities, to receive excise goods under the tax suspension arrangement. The difference is that this type of trader may neither hold nor dispatch such goods under excise duty-suspension arrangements.
- The possibility also exists to move excise goods under tax suspension arrangements to a place of direct delivery. A place of direct delivery means that the Member States allow under the conditions they may fix, the movement of excise goods to a place of direct delivery which is not a tax warehouse or a Registered Consignee.

This procedure is often used, as it is an easy way for traders to simplify procedures with excise goods.

With the e-AAD in Excise Movement Control System (EMCS), the Registered Consignee will have to have an excise number. The actual consignee of the goods does not have to have an excise number.

The tax will be chargeable on the receipt of goods in the undertaking of the actual consignee.

A working paper concerning the direct delivery states that this is subject to certain conditions:

- the consignee is either an authorised warehouse keeper or a Registered Consignee with a (permanent) specific authorisation to practice direct delivery;
- the consignee is not required to give the name of the actual place of delivery; consequently, the consignor only indicates the address of the actual place of delivery in the e-AAD;
- upon receipt of goods, the report of receipt is submitted by the consignee mentioned in the e-AAD.

Upon receipt, the goods are deemed to be released for consumption. Consequently, excise duty has to be paid according to national provisions.

It remains for Member States to decide whether or not to allow direct delivery and, if so, to decide whether or not each possible place of delivery should be separately authorised. The list of possible places of delivery is not copied into the System for the Exchange of Excise Data (SEED).

5.3. Taxable Persons

The draft proposal provides as follows:

“The person liable to pay the excise duty shall be:

- (a) in relation to the departure of excise goods from a suspension arrangement:
 - i) the person who releases or on whose behalf the excise goods are released from the suspensive arrangement;
 - ii) when the irregular departure results from the non discharge of the Excise Movement Procedure: the person or persons who guaranteed the payment;
 - iii) any person who participated in the irregular departure and who was aware or who should reasonably have been aware of the irregular nature of the departure;
- b) in relation to the holding of excise goods, any person involved in the holding the excise goods;
- c) in relation to the production, any person involved in the production;
- d) in relation to the importation, the person who declares the goods upon importation or any person involved in the irregular importation.

Where several persons are liable for payment of one excise duty, they shall be jointly and severally liable for such debt.”

5.4. Guarantees

The competent authorities of the Member States of dispatch shall, under the conditions fixed by them, require that the risks inherent in the Excise Movement Procedure shall be covered by a compulsory guarantee provided by:

- the authorised warehouse-keeper of dispatch or
- the Registered Consignor or
- the transporter or
- the owner of the excise goods or
- the consignee or
- a combination of any of the persons referred to above which shall be jointly and severally liable.

The detailed rules for the guarantee shall be laid down by the Member State. The guarantee shall be valid throughout the Community.

6. STATISTICS

6.1. Background

Trade statistics are required for national as well as for Community purposes. The legal basis for statistics of the Community and its Member States relating to trade in goods with non-member countries (Extrastat) is Council Regulation (EC) No 1172/95 and the implementing Commission Regulation (EC) No 1917/2000.

Extrastat (statistics on the import and export of goods into or out of the EU) is based - apart from certain specific movements - on the collection of data from the 'Single Administrative Document' (Council regulation (EC) No 1172/95 Article 7). The data are collected at the moment the customs declaration is accepted by the Customs Authorities. Under Community provisions a trade operator does not have a direct statistical reporting obligation to a statistical administration.

It is the responsibility of the administration of each Member State to provide the Commission (EUROSTAT) with external trade statistics according to a harmonised Community concept.

6.2. Requirements for statistics

The provision of statistics must be taken into account when granting an authorisation under the Single Authorisation scheme.

For Community statistics the following requirements are recommended:

- The authorising Member State has to provide Eurostat as well with statistics for goods which are physically released into free circulation, or for export, or for processing in the participating Member State. The supplementary customs declaration shall be taken as data source.
- The 'Member State of final destination' for goods entering the Community and the 'Member State of actual export' for goods leaving the Community be provided to Eurostat in addition to the general-mandatory statistical data set, although these data elements are not mandatory in all Member States. The trader benefiting from single authorisation under simplified procedures shall be obliged via the authorising procedure to indicate this information either in box 17a (for import) or in box 15a (for export) of the supplementary Customs declaration.

For compiling national statistics the following requirements are recommended:

- Either the trader is obliged to make statistical declarations in the participating Member State directly to the competent National Statistical Institutes (NSI) or
- The Customs administration in the authorising Member State is obliged to transmit the statistical information to the competent administration (Customs or NSI) of the participating Member State.
- The format content (data elements) and timescale for submission of the statistical declaration will depend on the requirements of the participating Member State (e.g. monthly declaration submitted in electronic form, on CD-Rom or on paper, according to national data compilation needs in the participating Member State).

The NSI should have access to the database which identifies the traders with single authorisation and the involved Member States.

The obligations of the trader and/or the Customs administration in the authorising Member State should be included either within the Authorisation itself or as annex to the Authorisation.

7. SUPERVISION OF THE AUTHORISATION AND DIVISION OF RESPONSIBILITIES

7.1. Background

An important aspect of Single Authorisations is the division of responsibilities for the supervision of authorisations by customs authorities. The primary responsibility lies with the supervising office (in the authorising Member State) both in connection with granting the authorisation and in supervising it thereafter. The supervising office has to ensure that the legal requirements are fulfilled, and is responsible for carrying out pre-audits (see Pre-Audit Guidelines in Annex V), if necessary, before an authorisation is granted. It is also responsible for carrying out risk analysis and developing a control plan to eliminate any risks after the authorisation has been granted.

The consultation procedure between Member States is laid down in the Customs Code implementing provisions. When drafting a control plan, account is taken of the specific wishes and requirements of the participating Member States (for instance regarding national legislation). Depending on risk analysis and the goods which may be placed under the customs procedure, special notification and procedural requirements for release will be laid

down in the authorisation. The special notification and procedure for release have to be laid down in the Single Authorisation.

This means that, during the consultation procedure, the local office has to inform the supervising customs office about special requirements to be taken into consideration, both in the authorisation and in the control plan, due to the national legislation applicable when the goods are released.

7.2. Release of the goods

Goods can be released in two ways:

7.2.1. Release of the goods by the local customs office on receipt of a notification (in cases where national requirements have to be met)

The economic operator sends the notification to the local customs office(s) responsible for the place where the goods are located. The local customs office(s) decide(s) whether the goods can be released immediately or if controls have to be carried out¹. It is not necessary for the trader to keep (main) accounts in every Member State involved in the Single Authorisation arrangement, but it may be necessary for records to be accessible to the customs authorities of the participating Member State(s). If possible, the local customs office should inform the supervising office (in the authorising Member State) in advance about the planned controls. The local customs office may also inform the supervising office about controls required with regard to national legislation not included in the control plan.

7.2.2. Release of the goods through central entry of data in the records (all other cases)

The supervising customs office in the authorising Member State is responsible for supervising the procedure. In general the goods are released immediately after the required data has been entered in the records and, in principle, no notification has to be sent to the local customs office. However, the supervising office or the local office may decide, in certain cases, that the economic operator has to send notifications during a specific period with regard to specific types of goods, and request the local customs office to carry out controls. In the latter case, the local customs office releases the goods.

In every case the local customs office that carried out the controls has to report the results to the supervising customs office. The transmission of this information has to be regulated in the control plan.

The division of responsibility is set out in Annex VI.

¹ For instance when a participating Member State wishes to carry out checks on the level of cadmium in toys, they inform the authorising Member State about this. The supervising authorities will make sure that the company will notify the local customs office that toys are going to be released for free circulation. A procedure will be laid down in the authorisation about the time when the goods may be considered released for free circulation. In this specific case it can be laid down that the goods may only be released after (individual) approval of the local customs office.

7.3. Control plan

An internal control plan on the basis of these guidelines (see Annex VII and VIII) has to be drawn up for each Single Authorisation. The final control plan should specify the minimum level of controls (see Annex IX). In exceptional circumstances the local customs offices may carry out further controls on request of the supervising customs office or on its own initiative, with the results being reported to the supervising office (using the form set out in Annex X).

8. PROHIBITIONS AND RESTRICTIONS (P&R)

8.1. Background

Member States may impose restrictions or prohibitions for reasons of health, public morality, security etc. Examples of goods subject to prohibitions and restrictions include controlled drugs (cocaine and heroin, etc.), explosives, and endangered species subject to conservation controls (import and export permits are required for the species subject to control).

Various EU Directives and Regulations as well as national legislation cover these goods.

8.2. Import and export of goods subject to prohibitions and restrictions

Depending on the simplified procedure in operation, there may be restrictions on goods subject to P&R control being included under a Single Authorisation.

Where possible, goods not eligible for release for free circulation at the customs office of entry in the customs territory under a Single Authorisation for simplified procedures could initially be held at the customs warehousing procedure, and then released for free circulation under a Single Authorisation arrangement.

Other Government departments and agencies are responsible for certain controls of P&R goods in such cases. It is therefore essential that they are consulted before a Single Authorisation is granted.

To permit effective control of these goods, Member States must ensure that the customs joint control plan clearly specifies the roles and responsibilities of the customs administrations involved in the Single Authorisation.

8.3. Controls

Control by the customs administrations means the performance of specific acts such as examining goods and verifying the existence and authenticity of documents.

One Member State cannot be expected to enforce the national P&Rs of another Member State. However, Member States may agree to do so provided that satisfactory controls can be set up.

The joint control plan set up for each authorisation should specify in detail how restricted goods should be controlled. The plan should set out precisely how licenses are to be processed, and the timescales for doing so.

It should be noted that the Single Authorisation holder must also hold the appropriate licence before the goods are released for free circulation or for export.

In some Member States the customs administrations will take the lead, whereas in other cases, other Government departments and agencies will be responsible for the control of certain goods.

8.4. National P&Rs

Because of the different national P&Rs existing in the Member States it has to be decided in each case if the goods may be included in the Single Authorisation.

8.4.1. Excluded goods

The decision to exclude certain goods from these procedures has to be taken by the Member State(s) where national P&Rs are in place during the consultation procedure.

The supervising Member State has to accept the decision of the participating Member State(s) where national P&Rs are in place.

8.4.2. It has to be clearly indicated in the Single Authorisation which goods are excluded from these procedures in which Member State(s). Goods require additional controls

Certain sensitive goods may be included in the Single Authorisation under specific criteria and conditions.

The participating Member State(s) have to send the necessary information how to proceed to the supervising Member State to add the information on the specific procedure for these goods in the authorisation and the control plan.

9. GUARANTEES

9.1. Responsibilities

Where a guarantee is required under the customs rules, the guarantee should cover customs duties and other additional taxes; the supervising authorities are responsible for calculating the amount of guarantee necessary to cover the incurrence of a customs debt.

Each Member State involved in a Single Authorisation for simplified procedures must contribute for the calculation of the amount of guarantee to cover national taxes, such as VAT and excise duties.

10. IRREGULARITIES

10.1. Background

Single Authorisations for simplified procedures enable an economic operator to make his customs declarations and, where appropriate, pay the customs duty in the authorising MS, even though the movement of goods may take place in another MS.

However, where an irregularity is discovered in connection with an import or export, careful consideration must be given as to which MS is competent to deal with the irregularities. The following information provides guidelines for different scenarios.

10.2. Types of irregularity (these are examples)

10.2.1. Irregularities relating to the authorisation (Art. 204 CCC)

- the MS competent to grant the authorisation must deal with the irregularity (Art. 8 or 9 CCC).
- the MS where the provisions in the authorisation are applied must deal with irregularities due to non-conformity with the provisions (e.g. bookkeeping, conditions of storage, processing of goods).

10.2.2. Irregularities relating to declarations for placements or discharge of the arrangement (except irregularities mentioned in point 11.2.4, hereafter) (Art. 201 CCC)

- the Member State where the declaration is lodged must deal with the irregularity according to the legislation in force in that MS.

10.2.3. Irregularities which occurred when goods are transferred between storage locations (Art. 203 CCC)

- the legislation in force in the Member State must be applied where, according to the records of the SA holder or other documents, goods were dealt with improperly.

10.2.4. Irregularities relating to the nature or the quantity of the goods being stored (Art 203 CCC)

- irregular removal or substitution of goods must be dealt with according to the legislation in force in the Member State where the irregularity occurred.

10.2.5. Irregularities which occurred when goods under the arrangement are declared for free circulation (Art. 201 CCC)

- irregularities (material errors) relating to the declaration (e.g. which do not correspond to the company records) must be dealt with according to the

legislation in force in the Member State which granted the authorisation.

10.2.6. *Offence action, either criminal or civil (administrative penalties), does not necessarily follow the above rules. Such action should always be in accordance with the provisions in force, i.e. national provisions.*

For all irregularities covered under 11.2.1 to 11.2.4, a copy of the corrected declaration or a report about the irregularity must be sent to the supervising office.

- In serious cases the authorisation may be suspended or revoked.

11. DISPUTES AND APPEALS

11.1. Background

The Administrative Arrangement on Cooperation contains the following clause:

“Dispute Resolution

Any dispute arising between the Participants in relation to the implementation or operation of this Arrangement or any authorisation subject to its operation will be resolved by negotiation, as much as possible. The Participant Member States may choose a mediator to solve the dispute”.

This clause allows the customs administrations involved to resolve any issues or problems with the operation, etc. of a Single Authorisation through discussion and consensus.

11.2. Disputes between Single Authorisation traders and Customs

Although no formal dispute resolution procedures are included in Single Authorisations, it is assumed that the holder of the Single Authorisation will raise any disputes with the authorising/supervising customs administration. It is the responsibility of the supervising customs administration to resolve the dispute. Should the dispute involve participating customs administrations, then the clause mentioned in paragraph 1 above will apply.

11.3. Reduction in levels of dispute

The risk of potential disputes in connection with a Single Authorisation can be greatly reduced during the preparation stages. While preparing for the implementation of a Single Authorisation for simplified procedures, and prior to granting the authorisation, the supervising customs administration should conduct an extensive review of the trader's customs procedures, processes, computer systems as well as accounting practices and reports. This review should identify all potential issues of dispute and allow all the parties involved to agree on solutions in advance of commencing the operation of the Single Authorisation.

11.4. Appeals by traders in respect of decisions made by the supervising customs administration

Articles 243 - 246 CCC establish the right of appeal. Decisions regarding the operation of a Single Authorisation are normally made by the supervising customs administration. In such cases the appeal system of the supervising Member State is applied.

11.5. Smuggling of prohibited/restricted goods or unlawful introduction of goods into the Community

Where prohibited or restricted goods are involved, or a customs debt arises under Article 202 CCC, then the Member State where the unlawful introduction occurred or is deemed to have occurred should take responsibility for any investigations or criminal proceedings. In these cases any disputes should be addressed to that Member State and its appeals procedures applied.

ANNEX I APPLICATION / AUTHORISATION FORMS AND EXPLANATORY NOTES



Application for authorisation to use simplified procedures

Original	1. Applicant	Non-Confidential	Reserved for customs purposes						
	1.a. Trader's Identification number		1.b. Reference number						
1.c. Contact information									
1.d. Lodgement of the declarations <input type="checkbox"/> in own name and on own behalf <input type="checkbox"/> as direct representative <input type="checkbox"/> as indirect representative									
2. Simplified Procedure			Non-Confidential						
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; vertical-align: top;"> a. <input type="checkbox"/> Local clearance procedure <input type="checkbox"/> Import <input type="checkbox"/> free circulation <input type="checkbox"/> customs warehousing <input type="checkbox"/> inward processing <input type="checkbox"/> temporary admission <input type="checkbox"/> free circulation for end use <input type="checkbox"/> processing under customs control <input type="checkbox"/> Export <input type="checkbox"/> exportation <input type="checkbox"/> re-exportation <input type="checkbox"/> exportation for outward processing </td> <td style="width: 50%; border: none; vertical-align: top;"> b. <input type="checkbox"/> Simplified declaration procedure <input type="checkbox"/> Import <input type="checkbox"/> free circulation <input type="checkbox"/> customs warehousing <input type="checkbox"/> inward processing <input type="checkbox"/> temporary admission <input type="checkbox"/> free circulation for end use <input type="checkbox"/> processing under customs control <input type="checkbox"/> Export <input type="checkbox"/> exportation <input type="checkbox"/> re-exportation <input type="checkbox"/> exportation for outward processing </td> </tr> </table>				a. <input type="checkbox"/> Local clearance procedure <input type="checkbox"/> Import <input type="checkbox"/> free circulation <input type="checkbox"/> customs warehousing <input type="checkbox"/> inward processing <input type="checkbox"/> temporary admission <input type="checkbox"/> free circulation for end use <input type="checkbox"/> processing under customs control <input type="checkbox"/> Export <input type="checkbox"/> exportation <input type="checkbox"/> re-exportation <input type="checkbox"/> exportation for outward processing	b. <input type="checkbox"/> Simplified declaration procedure <input type="checkbox"/> Import <input type="checkbox"/> free circulation <input type="checkbox"/> customs warehousing <input type="checkbox"/> inward processing <input type="checkbox"/> temporary admission <input type="checkbox"/> free circulation for end use <input type="checkbox"/> processing under customs control <input type="checkbox"/> Export <input type="checkbox"/> exportation <input type="checkbox"/> re-exportation <input type="checkbox"/> exportation for outward processing				
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3. Type of authorisation (to insert the code): <input style="width: 30px;" type="text"/>									
4.a. Authorised economic operator (AEO)									
<input type="checkbox"/> YES No. <input style="width: 200px;" type="text"/> <input type="checkbox"/> NO									
4.b. authorisation(s) for customs procedures for which simplified procedures will be used									
<table style="width: 100%; border-collapse: collapse; border: none;"> <tr> <td style="border: none; border-bottom: 1px solid black; width: 25%; text-align: center;">Type</td> <td style="border: none; border-bottom: 1px solid black; width: 50%; text-align: center;">Reference number</td> <td style="border: none; border-bottom: 1px solid black; width: 25%; text-align: center;">Expiry date</td> </tr> <tr> <td style="border: none; height: 40px;"></td> <td style="border: none;"></td> <td style="border: none;"></td> </tr> </table>				Type	Reference number	Expiry date			
Type	Reference number	Expiry date							
5. Main accounts									
5.a. Place where main accounts are held									
5.b. Type of main account									
6. Continuation forms									



Application for authorisation to use simplified procedures

Continuation form - IMPORT

Original	7. Records for the procedure	
	7.a. Place where the records are held	
	7.b. Type of records	
	7.c. Other relevant information	
	8. Type of goods	
	8.a. CN-Code / Chapter of the CN	Description
	8.b. Estimated total quantity	8.c. Estimated number of transactions
	8.d. Estimated total customs value	8.e. Average of duty amount
	8.f. Exchange rate	
	<input type="checkbox"/> I apply to use a single rate of exchange, as applicable on the 1st day of the period covered by the declaration, in accordance with article 172 CCIP.	
9. Customs procedure Non-Confidential		
10. Authorised locations of goods / Customs office (local clearance procedure)		
a. MS	b. Location (Name and address)	c. local customs office (Name and address)
11. Customs offices of import (simplified declaration)		
a. MS	b. Customs office (Name and address)	
12. Companies included in the Single Authorisation Non-Confidential		
a. MS	b. Company (Name and address)	
13. Supervising office (if applicable)		

14. Type of simplified declaration

- Single administrative document (SAD)
- Electronic declaration
- commercial or other administrative document

to be specified:

15. Additional information / conditions

16. I consent to the exchange of any information with the customs authorities of any other Member State involved and the Commission.

- I consent to allow access to the general public to the non-confidential data set out in this application.
- I do not consent to allow access to the general public to the non-confidential data set out in this application.

Place and date

Signature and name



Application for authorisation to use simplified procedures

Continuation form - EXPORT

Original	7. Records for the procedure	
	7.a. Place where the records are held	
	7.b. Type of records	
	7.c. Other relevant information	
8. Type of goods		
8.a. CN-Code / Chapter of the CN		Description
8.b. Estimated total quantity		8.c. Estimated number of transactions
8.d. Estimated total amount		
9. Customs procedure Non-Confidential		
10. Authorised locations of goods / Customs office (local clearance procedure)		
a. MS	b. Location (Name and address)	c. local customs office (Name and address)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
11. Customs offices of export (simplified declaration)		
a. MS	b. Customs office (Name and address)	
_____	_____	
_____	_____	
_____	_____	
12. Name and address of companies included in the Single Authorisation Non-Confidential		
a. MS	b. Company (Name and address)	
_____	_____	
_____	_____	
_____	_____	
13. Supervising office (if applicable)		

14. Type of simplified declaration

- Single administrative document (SAD)
- Electronic declaration
- commercial or other administrative document

to be specified:

15. Additional information / conditions

16. I consent to the exchange of any information with the customs authorities of any other Member State involved and the Commission.

- I consent to allow access to the general public to the non-confidential data set out in this application.
- I do not consent to allow access to the general public to the non-confidential data set out in this application.

Place and date

Signature and name



Authorisation to use simplified procedures
Continuation form - IMPORT

.....
 Authorisation number

Original	7. Records for the procedure	
	7.a. Place where the records are held	
	7.b. Type of records	
	8. Type of goods	
	8.a. CN-Code / Chapter of the CN	Description
	8.b. Estimated total quantity	8.c. Estimated number of transactions
	8.d. Estimated total customs value	8.e. Average of duty amount
	8.f. Exchange rate <input type="checkbox"/> The invoice amounts expressed in foreign currencies have to be converted using the exchange rate applicable on the 1st day of the period covered by the declaration.	
	9. Customs procedure	
	10. Authorised locations of goods / Customs office (local clearance procedure)	
a. MS	b. Location (Name and address)	c. local customs office (Name and address)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
11. Customs offices of import (simplified declaration)		
a. MS	b. Customs office (Name and address)	
_____	_____	
_____	_____	
_____	_____	
12. Companies included in the Single Authorisation		
a. MS	b. Company (Name and address)	
_____	_____	
_____	_____	
_____	_____	
13. Supervising office		

14. Type of simplified declaration		
<input type="checkbox"/> Single administrative document (SAD)		
<input type="checkbox"/> Electronic declaration		
<input type="checkbox"/> commercial or other administrative document		
to be specified: <input type="text"/>		
15. Additional information / conditions		
16. Place and date	Signature and name	Stamp



Authorisation to use simplified procedures
Continuation form - EXPORT

.....
Authorisation number

Original	7. Records for the procedure	
	7.a. Place where the records are held	
	7.b. Type of records	
	8. Type of goods	
	8.a. CN-Code / Chapter of the CN	Description
	8.b. Estimated total quantity	8.c. Estimated number of transactions
	8.d. Estimated total amount	
	9. Customs procedure	
	10. Authorised locations of goods / Customs office (local clearance procedure)	
	a. MS	b. Location (Name and address)
11. Customs offices of export (simplified declaration)		
a. MS	b. Customs office (Name and address)	
12. Name and address of companies included in the Single Authorisation		
a. MS	b. Company (Name and address)	
13. Supervising office		

14. Type of simplified declaration		
<input type="checkbox"/> Single administrative document (SAD)		
<input type="checkbox"/> Electronic declaration		
<input type="checkbox"/> commercial or other administrative document		
to be specified: <input type="text"/>		
15. Additional information / conditions		
16. Place and date	Signature and name	Stamp

EXPLANATORY NOTES TO THE APPLICATION FORMS FOR SIMPLIFIED PROCEDURES

Title 1

Particulars to be entered in the various boxes of the application form

General remark:

If necessary the requested information can be presented in a separate annex to the application form, referring to the box of the form concerned.

Member States may require additional information.

1. Enter full name and address of the applicant. The applicant is the person to whom the authorisation will be issued.
 - 1.a Enter the Trader Identification number.
 - 1.b Enter, if applicable, any internal reference number, to refer to this application in the authorisation.
 - 1.c Enter the relevant contact information (contact person, contact address, phone number, fax number, e-mail address)
 - 1.d Indicate the type of representation for lodgement of a declaration by inserting a "X" in the appropriate box.
2. Indicate which type of simplified procedure (local clearance and/or simplified declaration) and which customs procedure (for import and/or export) is applied for by inserting an "X" in the appropriate box.
 - 2.a and b. Regarding inward processing procedure, enter the code 1 for the suspension system and code 2 for the drawback system.

Regarding re-exportation, simplified procedures will be applied for where a customs declaration is required.
3. Enter the relevant code:
 - 1** first application for an authorisation other than a single authorisation.
 - 2** application for modified or renewed authorisation (also indicate the appropriate authorisation number).
 - 3** first application for a single authorisation.
- 4.a Indicate if the status of authorised economic operator is certified; if "YES", enter the corresponding number.
- 4.b Enter the type, reference and - if applicable - the expiry date of the relevant authorisation(s) for which the applied simplified procedure(s) will be used; in case authorisation(s) is/are just applied for, enter the type of applied authorisation(s) and the date of application

For the type of authorisation enter one of the following codes

Code authorised procedure

- 1** Customs Warehouse Procedure
 - 2** Inward Processing Relief
 - 3** Temporary Admission
 - 4** End Use
 - 5** Processing under Customs Control
 - 6** Outward Processing Relief
5. Information on main accounts.
- commercial, fiscal or other accounting material
- 5.a Enter the full address of the location where the main accounts are held.
- 5.b Enter the type of accounts (electronic or paper-based, and type of system and software in use).
6. Enter the number of continuation forms attached to this application.

Title II

**Particulars to be entered in the various boxes of the continuation form for
Import and Export**

7. Information on records (customs related accounts).
- 7.a Enter full address of the location where the records are held.
- 7.b Enter the type of records (electronic or paper-based, and type of system and software in use).
- 7.c Enter, if applicable, other relevant information regarding to the records.
8. Information about type of goods and transactions.
- 8.a Enter, if applicable, the relevant CN-Code otherwise enter at least the chapter of CN and the description of the goods.
- 8.b-e Enter the relevant information on a monthly basis.
- 8.f At import, the applicant has the possibility to indicate that he wants to use the exchange rate valid on the first day of the declaration period, in accordance with Article 172 CCIP.
- Insert an "X" in the appropriate box, if this is requested:
9. Enter the relevant codes for the customs procedure as set out in Annex 38 CCIP (i.e. code 40 for release for free circulation and home use)
10. Information on authorised locations of goods and responsible customs office.

- 10.a For the local clearance procedure enter the participating Member State, using the country code (ISO alpha 2), in which the location of the goods mentioned in box 10.b is situated.
- 10.b For the local clearance procedure enter the full address of the location of the goods;
- 10.c Enter the full name, address and contact information of the local customs office responsible for the location of goods mentioned in box 10.b
11. Enter the full name, address and contact information of the relevant customs offices where the simplified declaration is to be lodged.
12. Enter, if applicable, the relevant information on the companies included in the Single Authorisation who act on behalf of the holder of the Single Authorisation
- 12.a Enter the participating Member State, using the country code (ISO alpha 2).
- 12.b Enter full name and address of the company who act on behalf of the holder of the Single Authorisation in the Member State mentioned in box 12.a.
13. Enter, if applicable, the full name, address and contact information of the supervising office.
14. Indicate, by inserting an "X" in the appropriate box, the type of simplified declaration; in case of using commercial or other administrative documents, the type of documents in use must be specified.
15. Enter, if applicable, additional information or conditions which may be relevant for the simplified procedure concerned
- 16 At the time of application for the Single Authorisation, the applicant
 - shall consent to the exchange of any information with the customs authorities of any other Member State and the Commission;
 - may consent to publication of the non-confidential data to the public via the internet by inserting an "X" in the appropriate box.

Non-confidential data accessible to the wider public

The access to wider public shall provide the following data (with reference to the box number in the application form):

- Name and address of the holder of the Single Authorisation (box 1.);
- Authorisation number (allocated by the customs authority);
- The procedure(s) code as set out in Annex 38 CCIP (box 9.);
- Indication whether the simplified procedure have been granted for import or export (box 2.a or 2.b);
- The ISO alpha-2 country code of the Member States involved as referred to in Annex 38 CCIP (box 10.a);
- Name and address of companies included in the Single Authorisation who act on behalf of the holder of the Single Authorisation (box 12.b).

ANNEX II ADVICE OF THE COLLECTION COSTS

Advice of shared Own Resources for month

- ...

Company		Date of accounting in the records	Import duty	Repayment	Import duty	Total	Collection costs	Payable at the latest
Name	Authorisation ID		Amount X	File no	Amount Y	Amount X - Y	50% (of 25%)	
Total		0,00	0,00		0,00	0,00	0,00	

Authorising Member State

From: *Customs Authority*
address
competent expert
e-mail:
Fax:

Assisting Member State

To: *Customs Authority*
address
competent expert
e-mail:

Bank account:
 BIC:
 IBAN:

**ANNEX III IMPORT VAT PROVISIONS IN THE EC VAT DIRECTIVE
(EC/2006/112)**

Heading	Description	Articles
Territorial Scope	VAT territory of the EU	6 and 7
Taxable Transactions- supply of goods	MSs may treat each of the following transactions as a supply of goods for consideration.....goods imported in the course of business. “Importation of goods” shall mean the entry into the Community of goods which are not in free circulation. Term also covers goods which are in free circulation coming from a third territory (see Article 6(1))	18 (a) 30
Place of taxable transactions-place of importation of goods	The place of importation of goods shall be the Member State within whose territory the goods are located when they enter the Community. By way of derogation from Article 60, goods not in free circulation which are placed under one of the arrangements referred to in Article 156 (warehousing) or temporary importation....the place of importation shall be the MS within whose territory the goods cease to be covered by the arrangements. Similarly these rules apply to goods covered by transit arrangements.	60 61
Chargeable event and chargeability of VAT-importation of goods	The chargeable event shall occur and VAT shall become chargeable when the goods are imported. If goods are entered under special arrangements such as warehousing or temporary import etc....VAT shall be chargeable when goods cease to be covered by these arrangements. Where imported goods are subject to customs duties....VAT shall become chargeable when the chargeable event in respect of these duties occurs. Where imported goods are not subject to any customs duties, MSs shall ...apply the provisions in force governing customs duties.	70 71(1) 71 (2)
Taxable amount-importation of goods	‘Open market value’ shall mean the full amount that a customer at the same marketing stage....would have to pay under conditions of fair competition, to a supplier at arm’s length with the	72

	<p>MS in which the supply is subject to tax.</p> <p>When no comparable supply of goods can be ascertained, open market value shall mean:</p> <p>...an amount ...not less than the purchase price of the goods, or in the absence of a purchase price the cost price.</p> <p>In respect of importation of goods the <u>taxable amount</u> shall be the value for customs purposes determined in accordance with the Community provisions in force.</p> <p>Taxable amount shall include:</p> <p>(a) <u>taxes, duties, levies</u> (excluding VAT)</p> <p>(b) <u>incidental expenses</u> such as commission, packing, transport, insurance incurred up to the first place of destination within the territory of MS of importation, as well as those resulting from transport to another place of destination within the Community where a chargeable event occurs.</p> <p>First place of destination shall mean place mentioned in consignment note. If no place mentioned...deemed place of first transfer of cargo in MS of importation.</p> <p>Shall not include:</p> <p>-discounts and rebates</p> <p>Where goods have been processed outside Community, MS must make sure goods treated as if processing had taken place within EC.</p>	<p>85</p> <p>86(1)</p> <p>86(2)</p> <p>87</p> <p>88</p>
Exemptions on importation	<p>MSs shall exempt the following transactions:</p> <p>.....</p> <p>(f) importation of goods under diplomatic and consular arrangements</p> <p>(g) importation by international bodies</p> <p>(h) importation of NATO goods</p>	143
Exemptions-transactions relating to international trade	<p>Customs warehouses, warehouses other than customs warehouses and similar arrangements.</p>	154-163
Deductions	<p>A right of deduction shall arise at the time the deductible tax becomes chargeable.</p> <p>In so far as the goodsare used for the purposes of the taxed transactions of a taxable person, the taxable person shall be entitled, in the MS in which he carries out these transactions, to deduct the following from the VAT which he is liable to pay:</p>	<p>167</p> <p>168</p>

	(e) the VAT due or paid in respect of the importation of goods into third Member State.	
Rules governing right of deduction	In respect of importation of goods, must hold an import document specifying him as consignor or importer and stating the amount of VAT due or enabling that amount to be calculated.	178(e)
Obligations of taxable persons and certain non-taxable persons	VAT shall be payable by any taxable person carrying out a taxable supply of goods, with certain exceptions.	193
-persons liable for payment of VAT to the tax authorities.	Where the taxable supply of goods is carried out by a taxable person who is not established in the MS in which the VAT is due, MSs may provide that the person liable for payment of VAT is the person to whom the goods or services are supplied.	194(1)
	MSs shall lay down the conditions for implementation of paragraph 1	194(2)
On importation	On importation, VAT shall be payable by any person or persons designated or recognised as liable by the MS of importation	201
Payment arrangements	MSs shall lay down the detailed rules for payment in respect of the importation of goods. In particular, MSs may provide that, in the case of the importation of goods by taxable persons or certain categories thereof, the VAT due by reason of the importation need not be paid at the time of importation, on condition that it is entered as such in the VAT return to be submitted in accordance with Article 250.	211
VAT Returns	Every taxable person shall submit a VAT return setting out all the information needed to calculate the tax that has become chargeable and the deductions to be made including in so far as is necessary for the establishment of the basis of assessment, the total value of the transactions relating to such tax and the deductions and the value of any exempt transactions.	250(1)
	Can be made by electronic means.	250(2)
General obligations	Every taxable person shall keep accounts in sufficient detail for VAT to be applied and its application checked by the tax authorities.	242
Returns	Member States shall lay down detailed rules for the submission of VAT returns in respect of the importation of goods.	260
Obligations relating to certain importations	Import formalities shall apply to goods which enter the Community from third territory forming part of	274

and exportations	the customs territory of the Community.	
Exportation	The formalities relating to the exportation of goods shall be the same as those laid down by the Community customs provisions in force for the export of goods from the Community.	279

ANNEX IV MEMBER STATES BASIC IMPORT VAT REQUIREMENTS

Questionnaire replies received in respect of the following 22 Member States

Austria (AT), Belgium (BE), Bulgaria (BG), Cyprus (CY), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (GR), Hungary (HU), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Netherlands (NL), Poland (PL), Portugal (PT), Slovak Republic (SK), Slovenia (SI), Spain (ES), Sweden (SE), United Kingdom (UK):

(THIS SCHEDULE CONTAINS SOME DRAFT INFORMATION THAT HAS NOT YET BEEN VALIDATED WITH THE RELEVANT AUTHORITIES)

Questions	Answers
A Documentation	
<p>Q1 What documents are used to declare import VAT (please provide a copy)</p> <p>(Articles 62 to 77 of CCC)</p>	<p>a) <u>SAD</u></p> <p>SE, AT (also electronically), DE (also commercial invoice?), ES, GR, HU, IE, IT, LT, UK, NL, FR, PT, EE, PL, SK, SI, FI, LV, BE, CY (21)</p> <p>b) <u>Customs Receipt</u></p> <p>c) <u>Commercial invoice</u></p> <p>d) <u>Bank transfer payment slip</u></p> <p>BG (1)</p> <p>e) <u>Other</u></p>
<p>Q2 Can these documents be presented in both electronic or paper versions?</p>	<p>a) <u>Electronic only</u></p> <p>b) <u>Electronic or paper</u></p> <p>SE, CY, AT (trade says electronic only?), DE, ES, IE, NL, PT, EE, FR, SI, LV, BE (13)</p> <p>c) <u>Electronic and paper</u></p> <p>IT, LT, UK, PL, FI (5)</p> <p>d) <u>Paper only</u></p> <p>GR, HU, BG, SK (4)</p>

<p>Q3 How soon before or after the arrival of the goods can these documents be presented?</p> <p>(Article 49 of CCC: -sea transport-within 45 days -other modes-within 20 days)</p>	<p>1. Standard Procedure</p> <p><u>1.1 Pre-arrival (no. of days)</u> AT (-2), DE, IE (-1) (3)</p> <p><u>1.2 Day of arrival or post arrival (no. of days)</u> SE, CY, ES, GR, HU, IT, LT, LV, UK (+30), NL, BG, FR (+5), PT, EE, PL, BE, SK (+20), SI, FI (+10) (19)</p> <p>2. Simplified Procedures</p> <p><u>1.1 Pre-arrival (no. of days)</u> DE (-31), AT, FR, LT (-10) (4)</p> <p><u>1.2 Day of arrival or post arrival (no. of days)</u> SE (+11 for simplified procedures +17 for other procedures), ES, UK, PT (+10), EE, PL, SK (+20), HU (+3 for LCP + 10 for other), SI, LV, BE (11)</p>
<p>Q4 Are there any simplified procedures for imports of goods (e.g. Simplified Declaration or Local Clearance Procedures)? If so, please briefly describe how they operate.</p>	<p>a) <u>Yes</u></p> <p><u>SDP</u>: SE, DE, UK, NL, PT, EE, PL, SK, HU, SI, FI, LT, LV, BE, CY, PL (16)</p> <p><u>LCP</u>: SE, DE, UK, EE, AT, PT, SK, HU, SI, LT, LV, BE (12)</p> <p><u>Other</u></p> <p>SE (weekly import declaration) (1)</p> <p>b) <u>No</u></p> <p>ES, GR, IE, IT, BG, FR (6)</p>
<p>Q5 If simplified procedures are available, what documents are used to declare and pay import VAT (please provide a copy)?</p>	<p>a) <u>SDP</u></p> <p><u>SAD</u>: SE, DE, PT, ES, PT, EE, PL, SK, HU, SI, FI, LV, BE, PL (14)</p> <p><u>Simplified Dec</u>: UK, NL, LT, CY (4)</p> <p>b) <u>LCP</u></p> <p><u>SAD</u>: SE, DE, EE, AT, PT, SK, HU, SI, LV, BE (10)</p> <p><u>Simplified Dec</u>: UK, NL, LT (3)</p> <p>c) <u>Other</u></p> <p><u>SAD</u>: SE (1)</p>

B Declarant	
<p>Q6 Who can prepare and present the import declaration or entry (e.g. owner, importer, fiscal representative)?</p> <p>(Articles 5 and 64 of CCC)</p>	<p>a) <u>Anyone with Power of Attorney (including fiscal representative):</u> SE, AT, DE, ES, GR, HU, IE, IT, UK, NL, FR, PT, EE, PL, BE, SK, SI, FI, LT, LV (20)</p> <p>b) <u>Owner only</u></p> <p>c) <u>Only Importer/Broker or their rep.</u> BU, CY (2)</p>
<p>Q7 If the import declaration can be completed by an agent, or fiscal representative, are there any conditions that have to be fulfilled (e.g. must they be approved by the customs or tax authority)?</p>	<p>a) <u>Agent must be registered with or approved by customs authority</u> SE, AT, ES, LT, FR, EE, BE, UK, SI, CY (10)</p> <p>b) <u>Reps must provide bank guarantee</u> IT, UK, NL, BE (4)</p> <p>c) <u>Brokers must have certified qualifications</u> LT, PL, SK, PT, SI (must also be registered and have SI VAT number), LV (6)</p> <p>d) <u>Must provide national fiscal number</u> PT, HU, FI (3)</p>
C Calculation and payment of import VAT	
<p>Q8 How is the value for import VAT calculated?</p>	<p>a) <u>In accordance with rules in Articles 85 to 88 of VAT Directive 2006/112</u> SE, CY, AT, DE, ES, GR, HU, IE, IT, LT, UK, NL, BU, FR, PT, EE, PL, BE, SK, SI, FI, LV(22)</p> <p>b) <u>Total invoice value</u> LV (1)</p>
<p>Q9 Is it possible to defer or postpone the time the import VAT must be paid?</p>	<p>a) <u>Yes (provided business/agent has duty deferment account)</u> SE, AT, DE, ES, HU, LT, IE, IT, LV, UK, NL, FR, PT, EE, PL, SK, SI, FI, BE, CY (20)</p> <p>b) <u>No</u> GR, BU (2)</p>

<p>Q10 If it is possible to defer the payment of import VAT, are any conditions imposed (e.g. bank security)?</p>	<p><u>Security required (normally bankers guarantee)</u> AT, DE, ES, IE, IT, LT, UK, FR, PT, EE, PL, BE, SK, HU, SI, FI, LV, CY (18)</p>
<p>Q11 How does the administration deal with any over or underpayment of import VAT?</p>	<p>1. Underpayments</p> <p><u>1.1 Collected</u> AT, DE, ES, IT, PT, SI (under review) (6)</p> <p><u>1.2 Collected with interest/penalties charged</u> SE, GR, BE, SK, HU, FI, LT, LV, CY, EE (10)</p> <p>2 Overpayments</p> <p><u>2.1 Refunded</u> DE, ES, HU, UK, BU, PT, BE, SK, SI, LT, LV, CY, EE (13)</p> <p><u>2.2 Reductions to subsequent/future payments</u> AT, IT, SK, HU, FI, LT, EE (7)</p>
<p>Q12 What evidence is provided to the importer to show that import VAT has been paid (please provide a copy of the document)?</p>	<p><u>a) Copy of SAD document</u> AT, IT, NL, FR, ES, SK, SI, BE, UK, EE (10)</p> <p><u>b) Customs receipt/statement</u> CY, DE, ES, GR, HU, LT, BU, PT, FI, LV (10)</p> <p><u>c) Other forms/documents/invoices</u> UK (C79), SE, SK (excerpt from bank account)(4)</p>

ANNEX V PRE-AUDIT

Introduction

This document contains guidelines on the pre-audit requirements for granting a Single Authorisation for Simplified Procedures using the Simplified Declaration or Local Clearance Procedure for release at import to free circulation, end-use, export or entry to a customs procedure with economic impact followed by release to free circulation or re-export.

Procedure for release of goods to free circulation according to Art. 76 par. 1 letter b or c CCC in connection with Art. 1 number 13, Art. 253, Art. 253 a and 253 c, Art. 261, Art. 264 CCIP.

The Administrative Arrangement (if in place) sets out the procedures that are to be followed by Participants in a Single Authorisations as defined by Article 1 (13) CCIP where they involve release for free circulation. The Administrative Arrangement includes high level details to support SASP and the pre-audit guidelines.

The SASP Guidelines will need to be further developed and explained with best practice after the use of SASP among Member States becomes more prevalent and practical experience of AEO and the facilitation it will provide for customs simplifications.. The expansion of SASP across Member States together with the divergences between type, size and logistical structure of applicants will effect best practice which will need to be incorporated into future guidelines.

The guidelines have been drawn up for both customs authorities and economic operators to meet the provisions and requirements laid down in CCIP the following documents:

- **Provisions on SASP**

1. To align the rules on granting an AEO certificate and Single Authorisation as much as possible, including the provisions on records to allow the appropriate level of audit.
2. To improve the application/authorisation process including time taken by developing identical rules for granting authorisations.
3. To establish identical conditions and criteria for the granting of both national and Single Authorisations for simplified declaration and local declaration procedure.
4. To ensure declarations or notifications under a Single Authorisation for Simplified Procedures, after a transitional period, are submitted electronically.

- **Provisions on AEO**

1. Economic operators who fulfil the conditions for obtaining the status of AEO, thus distinguishing themselves positively from other economic operators, should be considered as reliable partners in the supply chain. Authorised Economic Operators should therefore be able to benefit not only from simplifications provided for under the customs rules, but also, where they fulfil certain safety and security conditions from facilitations with regard to customs controls.

2. The authorisation criteria for AEO Safety and Security only does not require the applicant to have a logistical system which can distinguish between Community and non Community goods, Article 14i CCIP.

- **AEO Guidelines**

http://ec.europa.eu/taxation_customs/resources/documents/customs/policy_issues/customs_security/AEO_guidelines_en.pdf

The criteria for granting the status of authorised economic operator shall include:

- an appropriate record of compliance with customs requirements,
- a satisfactory system of managing commercial and where appropriate, transport records, which allows appropriate customs controls,
- proven financial solvency, and
- where applicable, appropriate security and safety standards.

The guidelines contain standards and criteria divided in five sections:

- I. Company's information
- II. Compliance record
- III. The applicant's accounting and logistical system
- IV. Financial Solvency
- V. Safety and Security requirements

- **Modernised Customs Code - Regulation (EC) No 450/2008**

http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/community_code/mccc_en.pdf

- The MCC will combine both the Simplified Declaration and the Local Clearance procedures whilst reducing the number of customs procedures.
- Compliant and trustworthy economic operators should, as Authorised Economic Operators', be able to take maximum advantage of widespread use of simplification and, taking account of security and safety aspects, benefit from reduced levels of customs controls.
- The rules for customs declarations will be modernized and streamlined, in particular requiring that customs declarations are, as a rule, made electronically and providing for only one type of simplified declaration.
- Customs authorities shall, on the basis of the recognition of the status of Authorised Economic Operator and provided that the requirements related to a specific type of simplification provided for in the Community customs legislation are fulfilled, authorize the operator to benefit from that simplification.

The guidelines have incorporated the following:

- Organisational Characteristics of the economic operator
- Involvement of external service providers
- Types of Representation including carriers, freight forwarders and customs agents
- Record of Compliance
- Commercial records and systems used
- Logistical processes and flow of goods
- Use of Electronic declarations or notifications
- Financial Solvency

Application Process

- If the application for SASP is made in conjunction with that for Authorised Economic Operator, a joint pre-audit should be undertaken to avoid duplication of resource by the customs authorities and economic operator.
- An application for SASP can be made by an economic operator who has not been granted the status of Authorised Economic Operator C or F.
- If the application for SASP is made in conjunction with an application for end-use or a CPEI regime, a combined pre-audit should be undertaken to avoid duplication of resource by the customs authorities and economic operator where applicable. Any specific authorisation or approval criteria for the regime(s) involved must be followed.
- The application should take into account the VAT and Statistical reporting requirements in Member States as covered in section 5 (Import VAT) and in section 7 (Statistics).
- Goods subject to Excise duty may be included within the application subject to the requirements of each Member State under section 6 (Excise).
- The application should take into account national Prohibitions and Restriction requirements as covered under section 9
- The application must be made to the customs authorities in the Member State where the applicant's main accounts are held and identify all Member States involved.

Approval Procedure

- The application for Single Authorisation for Simplified Procedures must be made using the model set out in Annex 67 of CCIP.
- The approval process must be undertaken in accordance with the timescales laid down in Articles 253b (2) and 253j CCIP and the SASP user requirements (doc. TAXUD/1663/2006, Rev.1).
- Communication and exchange of information during the pre-audit process should be undertaken in accordance with Articles 253i and 253j CCIP. The supervising Member State is responsible for issuing the authorisation and communication with the Commission.
- A division of responsibilities between all Member States involved in the pre audit should be agreed by the supervising office. The division will be dependant on factors such as location of premises, access to systems, involvement of representatives, resources available and specialist requirements. As appropriate, meeting(s) between the customs authorities and applicant should be undertaken to establish and agree the authorisation and agree roles and responsibilities for future control.
- For a company not authorised for AEO Regulation 1875/2006 Article 14a (1) a) or c) the AEO database in each Member State should be checked to see if any application for AEO by the applicant (or previous legal entity) has not been rejected, or a certificate for AEO has not been revoked or suspended by customs.
- The AEO database in the appropriate Member State should be checked to ensure any application for AEO by a key logistical representative for the applicant has

not been rejected, or a certificate for AEO has not been revoked or suspended by customs.

- Before undertaking the pre-audit it may possible to utilise information obtained on the applicant or their service provider i.e. software supplier, such as:
 - Information and results from the AEO pre-audit
 - Information and results from any control work or audit undertaken on end-use or a CPEI regime
 - Information and results from any control work or audit undertaken on simplified procedures
 - Customs reports on software suppliers
 - Information held on customs computerised systems covering such area as import/export declarations, payments, returns, irregularities
 - Information held by Customs in the company's profile
- If the applicant is approved as an Authorised Economic Operator, the customs authorities concerned should only examine if the applicant will be able to meet the additional requirements not covered by the AEO certificate. The type of AEO status granted and category(s) of business covered by the status must be taken into account.
- In line with AEO, internationally recognised standards held by the applicant or their key representative should be (where appropriate) taken into account as part of the pre audit process.
- For applicants authorised for AEO status C and F the benefits identified in the AEO Guidelines should be taken into account when undertaking the pre-audit.
- The pre-audit process may involve the customs authorities of each participating Member State as applicable.
- The pre-audit should focus only on relevant risks and relevant points for attention applicable to the applicant and their logistical operation.
- For applications made by small or medium enterprises the pre-audit process should take into account the size and complexity of the business.
- The pre-audit should take into consideration the requirements to produce a standard control plan and future audit requirements.

Examples of the types of Authorisation Covered

- SASP - applicant is AEO authorised.
- SASP - applicant is not AEO authorised.
- SASP - involving the use of a CPEI regime i.e. Customs Warehousing
- SASP - involving end-use
- SASP - declaration for release to free circulation using LCP
- SASP - declaration for release to free circulation using SDP
- SASP - declaration for export
- SASP - involving a combination of the procedures described above

Section I Company Information

The aim is to obtain a picture of the business operation across all Member States involved in the SASP including the involvement of representatives. For applications made by representatives the aim is to obtain a picture of their business operation across all Member States and client base as applicable.

AEO Status granted to the company in one/all Member States – role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	AEO status has been granted under Article 14a 1. (a) and (c)	<p>Significant changes in one or more Member State since the AEO status was granted.</p> <p>Goods/movements not eligible under LCP and/or SDP</p>	<p>a. Utilise information obtained during the AEO approval processes ensuring it reflects all aspects of the SASP application.</p> <p>b. Ensure the operation and business structure of the applicant in each Member State involved is understood including the use of representatives and distribution HUBs</p> <p>c. Identify business activities and logistical operations undertaken in each Member State including types of goods imported, handled and exported, volume and statistical value.</p> <p>d. Establish the use or requirement for simplified procedures (SDP or LCP) in each Member State, approvals granted and parties involved.</p> <p>e. Identify key personnel within the business involved in the SASP operation and methods of communication between them.</p> <p>f. Ensure the current and future SASP operations are in line with the AEO</p>

			approval and identify issues for further attention.
2.	CPEI and End-Use approval	<p>The business operation under SASP is not covered by the appropriate approval held</p> <p>Ineligible procedure or operation under any approval applied for</p> <p>Incorrect procedures and documentation used for the transfer and export of goods covered by CPEI/end-use</p>	<p>a. Identify all approvals granted, when, by whom, in which Member State and part of the business operation covered.</p> <p>b. Identify approvals rejected, revoked, annulled, suspended in each Member State.</p> <p>c. Establish the movement of goods between Member States and export operation.</p> <p>d. Ensure the application for a community wide authorisations is made to the customs authorities in the supervising Member State.</p> <p>e. Ensure the appropriate approvals are held by clients for the imports and/or exports made on their behalf.</p>
3.	<p>Transit – Community and/or National</p> <p>(covers LCP only)</p>	Movements under LCP at import or export are not covered by the appropriate transit requirements	<p>a. Establish if LCP in each Member State requires the use of transit.</p> <p>b. Identify all approvals granted, when, by whom, in which Member State and part of the business operation covered.</p> <p>c. Identify if community transit guarantee and Authorised Consignee requirements will be provided by the business or representative.</p> <p>d. Establish any Community or National guarantee amounts and identify waivers granted.</p> <p>e. Establish transit requirements (if required) in each Member State at an early stage and identify the procedures involved including LCP notification and</p>

			<p>monitoring of time limits.</p> <p>f. Ensure an application for a community wide guarantee is made to the customs authorities in the supervising Member State.</p> <p>g. Ensure an application(s) for Authorised Consignor /Consignee are made to the customs authorities in each Member State involved.</p>
4.	Prohibitions & Restrictions (Controlled Goods)	<p>Ineligible goods imported or exported under simplified procedures resulting in the avoidance of appropriate controls.</p> <p>Incorrect use of LCP or SDP for goods covered by prohibitions and restrictions</p>	<p>a. Identify goods (and origin) imported/exported in each Member State and ensure specific controls and legal requirements both EU and National are met.</p> <p>b. Ensure other government departments and regulatory authorities are consulted as part of the approval process.</p> <p>c. Ensure goods not eligible for import/export under SDP or LCP simplified procedures are identified and excluded from the SASP authorisation.</p> <p>d. Check that licensing applications have been made by the business covering all Member States and monitoring procedures are in place.</p> <p>e. Ensure all documentation required is available prior to import/export and monetary guarantees are in place where required.</p> <p>f. Establish and agree with all parties involved in the SASP, procedures for EU and national mandatory examination and sampling requirements.</p>
5.	Excise Duties	<p>Failure to classify goods liable to Excise duty and identify possible variation in liability between Member States involved.</p>	<p>a. Identify type of goods imported/exported in each Member State liable to excise duty under EU and/or national legislation.</p> <p>b. Establish excise movement, storage and duty reporting requirements in each Member State.</p>

		<p>Failure to obtain a complete overview of the companies excise operation including parties involved resulting in monetary and procedural irregularities</p>	<p>c. Ensure the Consignor/Consignee Excise and VAT number exist on the SEED database.</p> <p>d. Identify use of all representatives involved in the movement, storage and duty reporting of excise goods.</p> <p>e. Identify all types of movements of excise goods and establish transit, NCTS, export, declaration and documentary (AAD) requirements.</p> <p>f. Establish what excise movement guarantees are held, in who's name and movements covered.</p>
6.	Internal organisation	<p>Failure in communication between staff, representatives and companies in each Member State involved in the SASP</p> <p>Failure in communication between the company and customs authorities in each Member State</p> <p>Changes in the business operation with customs implications not identified at an early stage</p>	<p>a. Establish the internal structure of the company and of the key logistical representative(s) in each Member State involved.</p> <p>b. Identify a central point of contact within the company to monitor the SASP and key person within the representative's organisation responsible for the company's contract.</p> <p>c. Identify the names and position of all key personnel involved in customs matters, fiscal aspects, IT and key logistical areas within the company and representative(s).</p> <p>d. Ensure adequate management and internal controls are in place to monitor the SASP including use of representatives</p> <p>e. Ensure an appropriate level of knowledge in legal requirements and customs matters in each Member State involved in the SASP exists and will be maintained by the business.</p> <p>f. Establish clear lines of communication (using the most appropriate method)</p>

			<p>between the business, representative(s) and customs authorities involved in the SASP.</p> <p>g. Ensure all functions and competencies of departments and key personnel involved in the SASP are fully documented, reviewed and updated on a regular basis.</p> <p>h. Ensure written contracts between the business and representative accurately reflect operation of the SASP and procedures are in place to review and update where necessary.</p>
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AEO Status not granted to the company in any Member State - role of the supervising and participating Member State(s)

The aim is to obtain a picture of the business operation across all Member States involved in the SASP including the involvement of representatives. For applications made by representatives the aim is to obtain a picture of their business operation across all Member States and client base as applicable.

These guidelines have utilised the AEO authorisation criteria to ensure the same level of information and assurance can be provided by a non AEO authorised company but should be read in conjunction with the AEO guidelines

For a company authorised for AEO safety and security only, it should be accepted that the Company Information criteria has satisfied the obtained during the AEO approval process.

No.	Indicator	Risks	Action to be taken
1.	Company Structure	A complex or diverse structure across Member States could result in the incorrect legal entity being approved.	<p>a. Identify the company’s legal status in each Member State and provide registration and ownership details.</p> <p>b. Identify number and location of sites in each Member State including subsidiaries as appropriate.</p> <p>c. Obtain details of associated companies and describe trading patterns applicable under the SASP.</p> <p>d. Identify key personnel within the company involved in the SASP operation and methods of communication between them.</p>
2.	Company Business	<p>Failure to fully identify and scope the business operation under SASP will effect compliance</p> <p>Changes in the business operation with customs implications not</p>	<p>a. Identify the companies main business activities by site in each Member State i.e. importer, manufacturer, exporter, warehouse keeper, direct or indirect representative.</p> <p>b. Establish trading patterns in each Member State, position within the supply chain, and use of representatives.</p> <p>c. Identify the type of goods imported, handled, processed and exported in</p>

		identified at an early stage	<p>each Member State.</p> <p>d. Identify principal suppliers and clients, country of origin and purpose of operation in each Member State.</p> <p>e. Identify use or requirement for simplified procedures (SDP or LCP) at import or export in each Member State.</p>
3.	Volume of Business	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk	<p>a. Provide the annual turnover figure in the last three sets of completed annual accounts together with the net profit or loss figure.</p> <p>b. Identify the volume of imports/(re)exports/transit movements over the previous 3 years together with the estimated volume over the next 2 years for each Member State.</p> <p>c. Identify (where applicable) the storage sites/premises owned or used, the size and average percentage of the storage capacity utilised including seasonal variations.</p>
4.	Statistical Issues	<p>Irregularities in combination with a high volume of business can result in a high financial or non-financial risk</p> <p>Incorrect classification of goods and use of incorrect duty rate</p> <p>Incorrect valuation build-up.</p> <p>Avoidance of tariff measures and controls on imports and exports</p>	<p>a. Establish procedures for classification of goods imported and exported in each Member State and identify the key persons responsible and the procedures involved.</p> <p>b. Identify the value of imports/(re) exports/transit movements over the previous 3 years together with the estimated volume over the next 2 years for each Member State</p> <p>c. Identify any goods imported or exported liable to CAP, preferential measure, antidumping duties, licences and origin requirements.</p> <p>d. Provide details of the methods and valuation build up used by the company for import and exports in each Member State including trade terms, elements included and procedures laid down.</p> <p>e. Identify if elements included within the valuation build up vary between</p>

			Member States, companies involved and business operations.
5.	CPEI and End-Use approval	<p>The business operation under SASP is not covered by the appropriate approval held</p> <p>Ineligible procedure or operation under approval applied for</p> <p>Incorrect procedures and documentation used for the transfer and export of goods covered by CPEI/end-use</p>	<p>a. Identify all approvals granted, when, by whom, in which Member State and part of the business operation covered.</p> <p>b. Identify approvals rejected, revoked, annulled, suspended in each Member State.</p> <p>c. Establish the movement of goods between Member States and export operation.</p> <p>d. Ensure the application for a community wide authorisations is made to the customs authorities in the supervising Member State.</p> <p>e. Ensure the appropriate approvals are held by clients for the imports and/or exports made on their behalf.</p>
6.	Transit – Community and/or National (covers LCP only)	Movements under LCP at import or export are not covered by the appropriate transit requirements	<p>a. Establish if LCP in each Member State requires the use of transit.</p> <p>b. Identify all approvals granted, when, by whom, in which Member State and part of the business operation covered.</p> <p>c. Identify if community transit guarantee and Authorised Consignee requirements will be provided by the business or representative.</p> <p>d. Establish any Community or National guarantee amounts and identify waivers granted.</p> <p>e. Establish transit requirements (if required) in each Member State at an early stage and identify the procedures involved including LCP notification and monitoring of time limits.</p> <p>f. Ensure an application for a community wide guarantee is made to the customs authorities in the supervising Member State.</p> <p>g. Ensure an application(s) for Authorised Consignor /Consignee are made to</p>

			the customs authorities in each Member State involved.
7.	Prohibitions & Restrictions (Controlled Goods)	<p>Ineligible goods imported or exported under simplified procedures resulting in the avoidance of appropriate controls</p> <p>Incorrect use of LCP or SDP for goods covered by prohibitions and restrictions</p>	<p>a. Identify goods (and origin) imported/exported in each Member State and ensure specific controls and legal requirements both EU and National are met.</p> <p>b. Ensure other government departments and regulatory authorities are consulted as part of the approval process.</p> <p>c. Ensure goods not eligible for import/export under SDP or LCP simplified procedures are identified and excluded from the SASP authorisation.</p> <p>d. Check that licensing applications have been made by the business covering all Member States and monitoring procedures are in place.</p> <p>e. Ensure all documentation required is available prior to import/export and monetary guarantees are in place where required.</p> <p>f. Establish and agree with all parties involved in the SASP, procedures for EU and national mandatory examination and sampling requirements.</p>
8.	Excise Duties	<p>Failure to classify goods liable to excise duty and identify possible variation in liability between Member States involved.</p> <p>Failure to obtain a complete overview of the companies excise operation including parties involved resulting in monetary and procedural irregularities</p>	<p>a. Identify type of goods imported/exported in each Member State liable to excise duty under EU and/or national legislation.</p> <p>b. Establish excise movement, storage and duty reporting requirements in each Member State.</p> <p>c. Ensure the Consignor/Consignee Excise and VAT number exist on the SEED database.</p> <p>d. Identify use of all representatives involved in the movement, storage and duty reporting of excise goods.</p> <p>e. Identify all types of movements of excise goods and establish transit, NCTS, export, declaration and documentary (AAD) requirements.</p> <p>f. Establish what excise movement guarantees are held, in who's name and</p>

			movements covered.
9.	Internal organisation	<p>Failure in communication between staff, representatives and companies in each Member State involved in the SASP</p> <p>Failure in communication between the company and customs authorities in each Member State</p>	<p>a. Establish the internal structure of the company and of the key logistical representative(s) in each Member State involved.</p> <p>b. Identify a central point of contact within the company to monitor the SASP and key person within the representative's organisation responsible for the company's contract.</p> <p>c. Identify the names and position of all key personnel involved in customs matters, fiscal aspects, IT and key logistical areas within the company and representative(s).</p> <p>d. Ensure adequate management and internal controls are in place to monitor the SASP including use of representatives</p> <p>e. Ensure an appropriate level of knowledge in legal requirements and customs matters in each Member State involved in the SASP exists and will be maintained by the business.</p> <p>f. Establish clear lines of communication (using the most appropriate method) between the business, representative(s) and customs authorities involved in the SASP.</p> <p>g. Ensure all functions and competencies of departments and key personnel involved in the SASP are fully documented, reviewed and updated on a regular basis.</p> <p>h. Ensure written contracts between the business and representative accurately reflect operation of the SASP and procedures are in place to review and update where necessary.</p>

Section II Compliance record

The aim is to provide guidance in establishing an appropriate record of compliance with customs requirements in accordance with Article 253b (3) and Articles 253c and 14h CCIP.

Compliance with customs rules will be considered as appropriate if over the preceding 3 years no serious infringement or repeated infringement has been committed by the persons laid down in Article 14h CCIP. Serious and repeated infringement must take into account the size and volume of the applicants business especially in relation to small and medium enterprises. Guidance on minor infringements can be found in the AEO Guidelines.

For an applicant established in the supervising or any of the participating Member States for a period of less than three years, compliance shall be assessed on the basis of information and records available. The relationship between the applicant and previous companies shall be considered and close monitoring during the first year will be required. This will be covered within the control plan and under post audit activity.

Decisions on compliance should be made between the customs authorities of all Member States involved with the final decision being the responsibility of the supervising Member State.

For a company authorised for AEO safety and security only, it should be accepted that the Compliance Information criteria has also been satisfied during the AEO approval process. As the compliance criteria under SASP is in line with the AEO conditions and criteria under Article 14h of CCIP, compliance in excise matters has been identified separately within this guidance.

AEO Status granted to the company in one/all Member States – role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	AEO status has been granted under Article 14a 1. (a) and (c)	<p>Infringements in individual Member States not identified by the supervising customs authority</p> <p>Key logistical representative not AEO authorised or authorisation refused/rejected</p>	<p>a. Utilise results of compliance checks undertaken during the AEO approval process in each Member State involved in the SASP application.</p> <p>b. Identify any irregularities or infringements in customs legislation by the company in each Member State involved in the SASP since AEO approval was granted.</p>
2.	Customs compliance	<p>Inadequate awareness of customs issues or legal requirements</p> <p>Failure to submit or make accurate and timely import or export declarations</p> <p>Non-compliance behaviour under existing or previous customs approvals</p> <p>Channels and methods of</p>	<p>a. Ensure a structure in place and procedures established for the disclosure of irregularities to the customs authorities and government agencies in the supervising and participating Member State.</p> <p>b. Identify any infringements, withdrawal, suspension or refusal of a CPEI authorisation in any of the Member States involved in the SASP application since AEO approval was granted.</p> <p>c. Identify any infringement or withdrawal of an authorisation for simplified procedures in any of the Member States involved in the SASP application since AEO approval was granted.</p> <p>d. Ensure an appropriate awareness within the company of legal obligations and customs requirements in each of the Member States involved in the SASP approval.</p> <p>e. Ensure an appropriate awareness by representatives of there legal</p>

		<p>communication between company, representative and clients not clearly identified</p> <p>EU mandatory checks not undertaken and legal requirements evaded</p> <p>Irregularities not identified, accounted for correctly and remedial action not taken</p> <p>Use of key representative with multiple clients and conflicting priorities.</p> <p>Failure to provide clear instructions to representatives and monitor work undertaken.</p> <p>Use of multiple representatives without clear company guidelines or instructions.</p>	<p>obligations in respect of customs requirements in each of the Member States involved in the SASP approval.</p> <p>f. Establish procedures for the disclosure of irregularities in each Member State to the customs authorities in the supervising Member and participating Member State.</p>
3.	Transit – Community and/or National	Inadequate awareness of national transit and NCTS requirements.	a. Identify any procedural irregularities or breach of legal requirements under NCTS or National Transit in each Member State by the company or

	(covers LCP only)	<p>Non discharge of transit movements and reporting or irregularities resulting in failure to accurately declare imports or exports</p> <p>Transit irregularities by a representatives and lack of control exercised by the company</p> <p>Failure to make entry into LCP and/or commercial records</p> <p>Late and/or incorrect entry into LCP or commercial records</p>	<p>representative.</p> <p>b. Ensure transit movements are monitored by all authorised parties, time limits are adhered to, a complete audit trail is available and irregularities are reported to both the supervising and participating Member States (where applicable).</p> <p>c. Ensure the Community transit guarantee is set at a sufficient level to cover all movements between Member States under the SASP.</p> <p>d. Identify any monetary irregularities under NCTS or National Transit by the company or representative.</p> <p>e. Identify any breach of guarantee conditions or exceeding of guarantee amount by the holder.</p>
4.	Prohibitions & Restrictions (Controlled Goods)	<p>Evasion of frontier controls</p> <p>Failure to comply with the requirements of other government departments or regulatory authorities</p> <p>Documentary import or export requirements not met</p>	<p>a. Identify any breach of customs requirements at import and/or export in each of the Member States involved in the SASP by the company.</p> <p>b. Identify any breach of legal requirements covered by other government departments or regulatory authorities, effecting import and/or exports in each of the Member States involved in the SASP by the company.</p> <p>c. Ensure monetary guarantees where applicable are sufficient to cover all transactions and any irregularities have been identified and remedial action taken.</p>

		<p>Guarantees not set up or monitored</p> <p>Mandatory examination and sampling evaded</p> <p>Breach of national security and protection of society</p> <p>Failure to declare as controlled goods could result in the omission of data requirements at import</p>	
5.	Excise Duties	<p>Inadequate awareness of excise requirements in each Member State.</p> <p>Excise goods not identified and variation in liability between Member States not established</p> <p>Adequate excise movement guarantees not in place and correct use not monitored by the business.</p>	<p>a. Identify any monetary or procedural irregularities or breach of legal requirements covering the import, movement, storage and export of excise goods</p> <p>b. Identify any irregularities in the use of excise movement guarantees including insufficient levels to cover the excise liability.</p> <p>c. Ensure the correct authorisation (where applicable) is obtained for the frontier clearance of excise goods under simplified procedures.</p> <p>d. Identify any failure to submit excise duty returns and accounting documentation within the timescales laid down.</p> <p>e. Establish any irregularities in the tariff classification of excise goods and use of incorrect excise tax types.</p> <p>f. Identify any irregularities in the transfer and use of documentation</p>

		<p>Incorrect classification</p> <p>Lack of an audit trail covering the movement of excise goods</p> <p>Unauthorised movement of excise goods</p>	<p>monitoring the movement of excise goods between Member States.</p> <p>g. Identify any failure to enter the appropriate details on the SEED database</p>
6.	Guarantee for import and other charges	<p>Guarantee amount regularly exceeded provides an indicator on the financial credibility of the applicant</p> <p>Guarantee amount insufficient to secure the customs debt</p> <p>Non-authorized use of guarantees</p>	<p>a. Ensure an adequate guarantee is set up in the supervising Member State to cover the liability to customs duties and other charges in all Member States involved in the SASP.</p> <p>b. Identify guarantees used by the company belonging to representatives.</p> <p>c. Ensure the guarantee holder has established procedures to monitor the guarantee amount, make adjustments as necessary and advise the supervising office of any changes effecting the validity.</p>
7.	Licensing, authorisation and documentary requirements	<p>Inadequate awareness of licensing requirements in each Member State</p> <p>Evasion of licensing requirements or incorrect licence held</p>	<p>a. Ensure Licences (electronic and paper) have been correctly applied for and cover all types, volume and origin of goods imported or exported in each Member States involved in the SASP.</p> <p>b. Establish procedures for the monitoring of licences and quotas, by the supervising Member State.</p> <p>c. Ensure irregularities and breach of licensing requirements are advised to the customs authorities and government agencies in the supervising Member</p>

		Failure to identify and report irregularities	State.
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AEO Status not granted to the company in any Member State - role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	Applicant's Compliance	<p>AEO not granted to the applicant will have implications for the credibility of an SASP application</p> <p>Irregularities or infringements not identified and/or reported to the supervising Member State</p> <p>Inadequate awareness of customs matters by company and/or representative</p> <p>Lack of management control and poor supervision of representatives.</p> <p>Breakdown in communication between parties involved</p> <p>No continuity in control to address</p>	<p>a. Establish if an AEO authorisation has been refused, rejected or suspended in the name of the company or representative in any of the Member States involved in the SASP.</p> <p>b. Identify any irregularities or infringements of customs legislation by the company in each Member State involved in the SASP over the last three years.</p> <p>c. Identify any irregularities in connection with the import, handling or export of high risk or controlled goods by the company, in each of the Member States involved in the SASP over the last three years.</p> <p>e. Establish if procedures for import, handling and export of goods by the company or representative have been fully documented and updated in each Member State involved in the SASP.</p>

		staff turnover	
2.	Customs compliance	<p>Inadequate awareness of customs issues or legal requirements</p> <p>Failure to submit or make accurate and timely import or export declarations</p> <p>Non-compliance behaviour under existing or previous customs approvals</p> <p>Channels and methods of communication between company, representative and clients not clearly identified</p> <p>EU mandatory checks not undertaken and legal requirements evaded</p> <p>Irregularities not identified, accounted for correctly and remedial action not taken</p>	<p>a. Ensure a structure in place and procedures established for the disclosure of irregularities to the customs authorities and government agencies in the participating and supervising Member State (as applicable).</p> <p>b. Identify any infringements, withdrawal, suspension or refusal of a CPEI authorisation in any of the Member States involved in the SASP application.</p> <p>c. Identify any infringement or withdrawal of an authorisation for simplified procedures in any of the Member States involved in the SASP application.</p> <p>d. Ensure an appropriate awareness within the company of legal obligations and customs requirements in each of the Member States involved in the SASP approval.</p> <p>e. Ensure an appropriate awareness by representatives of their legal obligations in respect of customs requirements in each of the Member States involved in the SASP approval.</p>

		<p>Use of key representative with multiple clients and conflicting priorities.</p> <p>Failure to provide clear instructions to representatives and monitor work undertaken.</p> <p>Use of multiple representatives without clear company guidelines or instructions.</p>	
3.	<p>Transit – Community and/or National (covers LCP only)</p>	<p>Inadequate awareness of national transit and NCTS requirements.</p> <p>Non discharge of transit movements and reporting or irregularities resulting in failure to accurately declare imports or exports</p> <p>Transit irregularities by a representatives and lack of control exercised by the company</p> <p>Failure to make entry into LCP</p>	<p>a. Identify any procedural irregularities or breach of legal requirements under NCTS or National Transit in each Member State by the company or representative.</p> <p>b. Ensure the Community transit guarantee is set at a sufficient level to cover all movements between Member States under the SASP.</p> <p>c. Identify any monetary irregularities under NCTS or National Transit by the company or representative.</p> <p>d. Identify any breach of guarantee conditions or exceeding of guarantee amount by the holder.</p>

		and/or commercial records	
		Late and/or incorrect entry into LCP or commercial records	
4.	Prohibitions & Restrictions (Controlled Goods)	<p>Evasion of frontier controls</p> <p>Failure to comply with the requirements of other government departments or regulatory authorities</p> <p>Documentary import or export requirements not met</p> <p>Guarantees not set up or monitored</p> <p>Mandatory examination and sampling evaded</p> <p>Breach of national security and protection of society</p> <p>Failure to declare as controlled goods could result in the omission</p>	<p>a. Identify any breach of legal requirements at import and/or export in each of the Member States involved in the SASP by the company or representative.</p> <p>b. Identify any breach of legal requirements covered by other government departments or regulatory authorities, effecting import and/or exports in each of the Member States involved in the SASP by the company.</p> <p>c. Ensure monetary guarantees where applicable are sufficient to cover all transactions and any irregularities have been identified and remedial action taken.</p>

		of data requirements at import	
5.	Excise Duties	<p>Inadequate awareness of excise requirements in each Member State.</p> <p>Excise goods not identified and variation in liability between Member States not established</p> <p>Adequate excise movement guarantees not in place and correct use not monitored by the business.</p> <p>Incorrect classification</p> <p>Lack of an audit trail covering the movement of excise goods</p> <p>Unauthorised movement of excise goods</p>	<p>a. Identify any monetary or procedural irregularities or breach of legal requirements covering the import, movement, storage and export of excise goods</p> <p>b. Identify any irregularities in the use of excise movement guarantees including insufficient levels to cover the excise liability.</p> <p>c. Ensure the correct authorisation (where applicable) is obtained for the frontier clearance of excise goods under simplified procedures.</p> <p>d. Identify any failure to submit excise duty returns and accounting documentation within the timescales laid down.</p> <p>e. Establish any irregularities in the tariff classification of excise goods and use of incorrect excise tax types.</p> <p>f. Identify any irregularities in the transfer and use of documentation monitoring the movement of excise goods between Member States.</p> <p>g. Identify any failure to enter the appropriate details on the SEED database</p>
6.	Guarantee for import and other charges	<p>Guarantee amount regularly exceeded provides an indicator on the financial credibility of the applicant</p> <p>Guarantee amount insufficient to</p>	<p>a. Ensure an adequate guarantee is set up in the supervising Member State to cover the liability to customs duties and other charges in all Member States involved in the SASP.</p> <p>b. Identify guarantees used by the company belonging to representatives.</p>

		secure the customs debt Non-authorized use of guarantees	c. Ensure the guarantee holder has established procedures to monitor the guarantee amount, make adjustments as necessary and advise the supervising office of any changes effecting the validity.
7.	Licensing, authorisation and documentary requirements	Inadequate awareness of licensing requirements in each Member State Evasion of licensing requirements or incorrect licence held Failure to identify and report irregularities	a. Ensure Licences (electronic and paper) have been correctly applied for and cover all types, volume and origin of goods imported or exported in each Member States involved in the SASP. b. Establish procedures for the monitoring of licences and quotas, by the supervising Member State. c. Ensure irregularities and breach of licensing requirements are advised to the customs authorities and government agencies in the supervising Member State.

Section III The Company's Commercial system

The aim is to ensure the applicants commercial and documentary systems, and those of key logistical representatives acting on their behalf, provide satisfactory assurance on the control of the Single Authorisation for Simplified Procedures to all customs authorities and government agencies involved.

AEO under Article 14i of CCIP establishes that the company's accounting and logistical system is satisfactory in managing commercial and where appropriate, transport records, which allow appropriate customs controls. AEO focuses on areas such as audit trail, system integration, internal controls, logistical flows, customs routines, system security and information security.

The SASP pre-audit should look at the commercial system(s) used by the applicant as a 'whole' taking into account the role of representatives especially in countries where they are not established and consider the variation in national requirements in customs matters. It should look at interfaces between system used to control the logistical flow of goods and information, through to declaration under simplified procedures and provide a satisfactory level of assurance over customs accounting. This is especially important when looking at declarations to customs for accounting purposes and the implications for the division of own resources.

An AEO authorisation for Security & Safety only, does not require the applicant's commercial system to distinguish between Community and non Community goods but it should meet all other criteria under Article 14i which must be taken into account when undertaking the pre-audit.

When undertaking the pre-audit the characteristics of not only large multinational companies but also small and medium sized companies and representatives must be taken into account. Further guidance can be found in the AEO Guidelines.

Guidance on access to company's records is covered by Section III of the AEO Guidelines.

AEO Status granted to the company in one/all Member States - role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	AEO status has been granted under Article 14a 1. (a) and (c)	<p>Significant changes in one or more Member State since the AEO status was granted.</p> <p>System/software used have known limitations and/or identified weaknesses</p> <p>Significant changes required to existing systems or use of new systems for handling customs procedures and declarations</p> <p>Major system developments or changes in the near future effecting system credibility and a need to undertake further audit work</p>	<p>a. Utilise information obtained during the AEO approval process on accounting and logistical systems in each of the Member States involved.</p> <p>b. Utilise information/data obtained during testing as part of the AEO approval process in each Member State.</p> <p>c. Identify systems used for the control of CPEI regimes, end-use, simplified procedures, customs issues and reporting to customs authorities in each Member State.</p> <p>d. Identify systems used by key representatives for customs approvals on behalf of the company and/or the logistical control of goods imported or exported in each Member State.</p> <p>e. Identify systems used by key representatives for declaration and customs reporting on behalf of the company in each Member State.</p> <p>f. Identify new systems to be used or developments of existing systems for customs control and simplifications being applied for.</p> <p>g. Highlight potential systems changes and developments in the next two years.</p>
2.	Scope of systems for SASP	Failure to identify all areas and movements within the business for inclusion or exclusion within the	<p>a. Identify all areas of the business and commercial operation to be included and excluded from the SASP i.e. stock locations</p> <p>b. Identify key standing data elements required including movement types,</p>

		<p>SASP</p> <p>Poor lines of communication between IT, logistical and customs staff within the company</p> <p>Failure to identify customs requirements correctly when producing IT specifications</p>	<p>sales organisations, country codes, for each Member State.</p> <p>c. Identify Customs requirements in each Member State including timing issues, transmission and reporting</p> <p>d. Cover interface requirements with representative's systems</p> <p>e. Cover interface and file layout requirements for duty management and reporting systems</p>
3.	System design for SASP	<p>Multiple systems and complex design could result in increased errors</p> <p>Inclusion of ineligible goods within the SASP reporting system</p> <p>Incorrect and/or incomplete recording of transactions by systems used for SASP control and reporting</p> <p>Failure to meet legal requirements under customs approvals.</p> <p>Failure to document the systems</p>	<p>a. Establish the system(s) capabilities ensuring complete traceability of goods and financial transactions, a full audit, completeness and accuracy of data handling, visibility and reporting, internal controls and system integrity across all Member States.</p> <p>b. Ensure goods not eligible under LCP, SDP, simplified procedures or the single authorisation are identified, separated within the system and reported outside SASP.</p> <p>c. Ensure reconciliation between systems used i.e. applicants commercial, representatives, duty management and duty reporting are undertaken as required and results recorded and actioned as necessary.</p> <p>d. Ensure the commercial and /or duty management systems used can distinguish between community and non community goods in each Member State involved in the SASP.</p> <p>e. Establish if the commercial systems used can accurately capture key data such as the Member State of receipt, destination, date of arrival, any irregularities and non arrivals and provide exception reports as required.</p> <p>f. Ensure logistical system(s) used to control Customs Warehousing across</p>

		<p>functionality</p> <p>Failure to undertake reconciliations between systems and/or take action to correct errors</p> <p>Possible incorrect declarations made for VAT, Excise and statistics</p>	<p>Member States meet legal requirements i.e. duty point. transfers</p> <p>g. Ensure goods imported or exported subject to P&R, excise duty and customs control are identified and reported accordingly.</p> <p>h. Identify implications for VAT, Excise and Statistical reporting.</p>
4.	SASP declaration requirements	<p>Declarations made by the company or representative do not contain the correct data elements for control and accounting purposes</p>	<p>a. Identify if declarations to the customs authority in all/any Member States are to be made in an electronic or paper format.</p> <p>b. Ensure declarations are submitted in the format required under SASP for the supervising and participating Member States.</p> <p>c. Ensure declarations for customs duties are made within the timescales laid down in the supervising Member State.</p> <p>d. Ensure VAT, Excise and statistical requirements are accounted for correctly and submitted within the timescales laid down by the supervising or participating Member State.</p>
5.	Testing	<p>Insufficient testing of credible data covering all possible types of imports or exports in each Member State</p> <p>No segregation between the test and live environment</p>	<p>a. Establish if the company or representative will be responsible for the compilation, submission and control of the test declarations.</p> <p>b. Ensure test declarations replicate the import and export activities (current and future where known) of the company under SASP in each Member State.</p> <p>c. Ensure testing covers CPEI regime requirements, end-use, licensing and controlled goods where applicable.</p> <p>d. Establish how and from which system the test data will be compiled.</p>

		<p>Lack of internal control over the use of the test environment or submission of test data to customs</p> <p>Lack of procedures covering the handling and correction of error responses from customs</p> <p>Submission and handling of test data by representatives is not monitored and does not replicate the companies business</p> <p>Manual compilation of test data could be prone to error</p>	
6.	Submission of Declarations to Customs and other government departments	<p>No segregation between the test and live environment</p> <p>Lack of user and system control over the completeness and timing of declarations to customs in the supervising Member State</p> <p>Lack of user and system control</p>	<p>a. Establish how and from which system live import and export transaction data will be extracted for compilation and submission as the customs declaration.</p> <p>b. Ensure procedures and controls are in place to monitor the complete, accurate and timely submission of declarations for customs duties to the supervising Member State.</p> <p>c. Ensure procedures and controls are in place to monitor the accurate and timely submission of declarations for VAT, Excise and statistical requirements by the supervising or participating Member States.</p>

		<p>over the handling and correction of error responses from customs in the supervising Member State</p> <p>Submission and handling of live data by representatives is not monitored by the company.</p> <p>Manual compilation of live declarations could be prone to keying errors</p>	
7.	VAT reporting	<p>Failure to submit accurate import, export or transfer declarations could affect the completeness and accuracy of the VAT return.</p>	<p>a. Identify Import VAT requirements in each Member State involved in the SASP at an early stage and ensure legal obligations are met.</p> <p>b. Identify persons responsible within the business and finance authority in each Member State responsible for VAT requirements.</p> <p>c. Establish commercial systems used by the applicant for compilation of the VAT return in each Member State.</p> <p>d. Identify VAT liability in each Member State of goods imported under the SASP approval.</p> <p>e. Ensure goods imported for onward shipment without payment of import VAT are correctly shipped and the recipient is VAT registered.</p> <p>f. Identify use and control of fiscal representatives.</p> <p>g. Establish export procedures and ensure correct evidence is obtained to support zero rating.</p>
8.	Statistical reporting	<p>Failure to submit accurate import, export or transfer declarations</p>	<p>a. Identify statistical reporting requirements in each Member State involved in the SASP at an early stage and ensure legal obligations are met.</p>

		could affect the completeness and accuracy of statistical reporting.	<p>b. Identify persons responsible within the business and government authority in each Member State responsible for statistical requirements.</p> <p>c. Establish commercial systems used by the applicant for compilation of the statistical return in each Member State.</p>
9.	Information and Documentation security	<p>Lack of management supervision within the company over access and amendments to key files and systems.</p> <p>Lack of visibility or access to live and historical systems data by customs in the supervising Member State</p> <p>Lack of visibility or access to original documentation by customs in the supervising Member State</p>	<p>a. Establish the level of access by representatives to the company's commercial system and ensure segregation of responsibilities and management control are in place.</p> <p>b. Ensure company records and documentation covering all Member States involved in the SASP are held and/or accessible to the supervising customs authority at a central point within the Member State of application.</p> <p>c. Storage of documents and data in a format which allows easy access and retrieval for the customs authority of the supervising Member State.</p>

AEO Status not granted to the company in any Member State - role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	Audit Trail	<p>Break in the audit trail resulting in an inability to verify the accuracy and completeness of declarations made to customs</p> <p>Lack of control over the systems integrity and access</p>	<p>a. Ensure a full audit trail is maintained for fiscal and/or customs purposes (from receipt/import through to disposal/export) which can be evidenced through systems and documentation as appropriate to the customs authority in the supervising Member State.</p>
2.	Accounting and Logistical system(s)	<p>AEO status rejected or revoked due to systems issues</p> <p>Systems/software used have known limitations and/or identified weaknesses</p> <p>Complex management system offering the possibility to cover-up illegal transactions</p> <p>Omission of the connections</p>	<p>a. Identify the type of computer system(s) used for commercial and customs purposes in each of the participating Member States.</p> <p>b. Establish the operating systems and software applications used in each of the participating Member States.</p> <p>c. Identify software systems used for customs purposes including those by key logistical representatives, in each of the participating Member States.</p> <p>d. Establish the type and location of computer activities undertaken for customs purposes, in each of the participating Member States.</p> <p>e. Ensure there is a separation of functions within the computer department, between users and the computer department and within the systems, in each of the participating Member States as appropriate.</p> <p>f. Ensure there are links between the stock and financial administrations and</p>

		<p>between the flow of goods and the flow of money</p> <p>Inadequate segregation of duties</p> <p>Significant changes required to existing systems or use of new systems for handling customs procedures and declarations</p> <p>Major system developments or changes in the near future effecting system credibility and a need to undertake further audit work</p>	<p>reconciliation is undertaken between stocks held in each of the systems used in the participating Member States.</p>
3.	Internal control system	<p>Failure to establish internal controls could result in incorrect and/or incomplete recording of transactions in the commercial systems used</p> <p>Lack of contingency planning for new staff</p> <p>Identified area of weakness not rectified</p>	<p>a. Ensure procedures have been documented and guidelines issued to staff within the company and key representatives covering purchasing, storage, production and sales in each of the participating Member States.</p> <p>b. Establish if internal control procedures in each of the participating Member States are or have been subject to internal/external audit.</p> <p>c. Establish what controls and procedures are in place to cover the control of standing data and where within the company responsibility is laid.</p>

		Use of incorrect or outdated standing data such as product and tariff codes	
4.	Flow of goods	<p>Lack of reconciliation between the physical movement of goods and commercial records</p> <p>Receipt or dispatch of additional or substituted goods not identified</p> <p>Irregularities in the control of goods imported under end-use of a CPEI regime</p> <p>Lack of control over movement of goods within the company, between Member States and between representatives locations</p> <p>Failure to make appropriate voluntary disclosures</p>	<p>a. Ensure controls are in place and procedures documented covering the purchase and receipt of non community goods by the company or key representatives, in each of the participating Member States.</p> <p>b. Ensure controls are in place and procedures documented covering the movement of goods and stock by the company or key representatives, in each of the participating Member States.</p> <p>c. Ensure controls are in place and procedures documented covering any manufacturing process undertaken by the company or key representatives, in each of the participating Member States.</p> <p>d. Ensure controls are in place and procedures documented covering the sale, dispatch and delivery of goods by the company or key representatives, in each of the participating Member States.</p>
5.	Customs Routines	<p>Ineligible use of regimes or simplified procedures.</p> <p>Failure to make complete or</p>	<p>a. Ensure controls are in place and procedures documented covering declarations made to customs by the company or submitted on their behalf by a representative, in each of the participating Member States.</p>

		accurate declarations Failure to obtain correct clearance or submit required documentation	
6.	System Integrity	Inability to readily undertake an audit due to the way the applicants system is structured Loss or destruction of relevant information Failure to submit declarations/returns as required Lack of visibility or access to live and historical systems data by customs in the supervising Member State	a. Establish the level of control and procedures in place covering system failure, recovery, back-up, fallback and archiving of systems data belonging to the applicant or key representatives (where applicable) and identify who undertakes the control, in each of the participating Member States. b. Ensure all activities, by whom and at what level, on the system are logged and auditable.
7.	Information security	Lack of management supervision within the company over access and amendments to key files and systems Unauthorised access to systems and destruction or loss of relevant	a. Establish the level of control and procedures in place covering access and protection of computer systems run by the applicant and key representatives (where applicable), in each of the participating Member States. b. Ensure there is segregation of responsibilities and management controls in place covering access by representatives to the applicant's commercial systems, in each of the participating Member States. c. Ensure company records covering all Member States involved in the SASP

		<p>information</p> <p>Inability to readily undertake an audit due issues with access, retrieval and handling of data</p>	<p>are held and/or accessible to the supervising customs authority at a central point within the Member State of application.</p> <p>c. Ensure the storage of data is in a format which allows easy access and retrieval for the customs authority of the supervising Member State.</p>
8.	Documentation security	<p>Lack of management supervision within the company over access to original documentation</p> <p>Loss, destruction or alteration of documentation</p> <p>Lack of control over handling of documentation by representatives</p> <p>Inability to readily undertake an audit due issues with access, retrieval and handling of documentation</p>	<p>a. Establish the level of control and procedures in place covering access and protection of documentation used by the applicant and key representatives (where applicable), in each of the participating Member States.</p> <p>b. Establish the level of control and procedures in place within the company covering the handling of sensitive documentation by representatives and ensure segregation of responsibilities and management control are in place.</p> <p>b. Ensure all documentation relevant to customs matter in each Member States involved in the SASP is held and/or accessible to the supervising customs authority at a central point within the Member State of application.</p> <p>c. Ensure the storage of documentation allows easy access and retrieval for the customs authority of the supervising Member State.</p>
9.	Scope of Systems for SASP	<p>Failure to identify all areas and movements within the business for inclusion or exclusion within the SASP</p> <p>Poor lines of communication</p>	<p>a. Identify all areas of the business and commercial operation to be included and excluded within the SASP i.e. stock locations</p> <p>b. Identify key standing data elements required including movement types, sales organisations, country codes, for each Member State.</p> <p>c. Identify Customs requirements in each Member State including timing issues, transmission and reporting</p>

		<p>between IT, logistical and customs staff within the company</p> <p>Failure to identify customs requirements correctly when producing IT specifications</p>	<p>d. Cover interface requirements with representative's systems</p> <p>e. Cover interface and file layout requirements for duty management and reporting systems</p>
10.	System design for SASP	<p>Multiple systems and complex design could result in increased errors</p> <p>Inclusion of ineligible goods within the SASP reporting system</p> <p>Incorrect and/or incomplete recording of transactions by systems used for SASP control and reporting</p> <p>Failure to meet legal requirements under customs approvals.</p> <p>Failure to document the systems functionality</p> <p>Failure to undertake reconciliations</p>	<p>a. Establish the system(s) capabilities ensuring complete traceability of goods and financial transactions, a full audit, completeness and accuracy of data handling, visibility and reporting, internal controls and system integrity across all Member States.</p> <p>b. Ensure goods not eligible under LCP, SDP, simplified procedures or the single authorisation are identified, separated within the system and reported outside SASP.</p> <p>c. Ensure reconciliation between systems used i.e. applicants commercial, representatives, duty management and duty reporting are undertaken as required and results recorded and actioned as necessary.</p> <p>d. Ensure the commercial and /or duty management systems used can distinguish between community and non community goods in each Member State involved in the SASP.</p> <p>e. Establish if the commercial systems used can accurately capture key data such as the Member State of receipt, destination, date of arrival, any irregularities and non arrivals and provide exception reports as required.</p> <p>f. Ensure logistical system(s) used to control Customs Warehousing across Member States meet legal requirements i.e. duty point. transfers</p> <p>g. Ensure goods imported or exported subject to P&R, excise duty and customs control are identified and reported accordingly.</p>

		<p>between systems and/or take action to correct errors</p> <p>Possible incorrect declarations made for VAT, Excise and statistics</p>	<p>h. Identify implications for VAT, Excise and Statistical reporting.</p>
11.	SASP declaration requirements	<p>Declarations made by the company or representative do not contain the correct data elements for control and accounting purposes</p>	<p>a. Identify if declarations to the customs authority in all/any Member States are to be made in an electronic or paper format.</p> <p>b. Ensure declarations are submitted in the format required under SASP for the supervising and participating Member States.</p> <p>c. Ensure declarations for customs duties are made within the timescales laid down in the supervising Member State.</p> <p>d. Ensure VAT, Excise and statistical requirements are accounted for correctly and submitted within the timescales laid down by the supervising or participating Member State.</p>
12.	Testing	<p>Insufficient testing of credible data covering all possible types of imports or exports in each Member State</p> <p>No segregation between the test and live environment</p> <p>Lack of internal control over the use of the test environment or</p>	<p>a. Establish if the company or representative will be responsible for the compilation, submission and control of the test declarations.</p> <p>b. Ensure test declarations replicate the import and export activities (current and future where known) of the company under SASP in each Member State.</p> <p>c. Ensure testing covers CPEI regime requirements, end-use, licensing and controlled goods where applicable.</p> <p>d. Establish how and from which system the test data will be compiled.</p>

		<p>submission of test data to customs</p> <p>Lack of procedures covering the handling and correction of error responses from customs</p> <p>Submission and handling of test data by representatives is not monitored and does not replicate the companies business</p> <p>Manual compilation of test data could be prone to error</p>	
13.	Submission of Declarations to Customs and other government departments	<p>No segregation between the test and live environment</p> <p>Lack of user and system control over the completeness and timing of declarations to customs in the supervising Member State</p> <p>Lack of user and system control over the handling and correction of error responses from customs in the supervising Member State</p>	<p>a. Establish how and from which system live import and export transaction data will be extracted for compilation and submission as the customs declaration.</p> <p>b. Ensure procedures and controls are in place to monitor the complete, accurate and timely submission of declarations for customs duties to the supervising Member State.</p> <p>c. Ensure procedures and controls are in place to monitor the accurate and timely submission of declarations for VAT, Excise and statistical requirements by the supervising or participating Member States.</p>

		<p>Submission and handling of live data by representatives is not monitored by the company.</p> <p>Manual compilation of live declarations could be prone to keying errors</p>	
14.	VAT reporting	<p>Failure to submit accurate import, export or transfer declarations could affect the completeness and accuracy of the VAT return.</p>	<p>a. Identify Import VAT requirements in each Member State involved in the SASP at an early stage and ensure legal obligations are met.</p> <p>b. Identify persons responsible within the business and finance authority in each Member State responsible for VAT requirements.</p> <p>c. Establish commercial systems used by the applicant for compilation of the VAT return in each Member State.</p> <p>d. Identify VAT liability in each Member State of goods imported under the SASP approval.</p> <p>e. Ensure goods imported for onward shipment without payment of import VAT are correctly shipped and the recipient is VAT registered.</p> <p>f. Identify use and control of fiscal representatives.</p> <p>g. Establish export procedures and ensure correct evidence is obtained to support zero rating.</p>
15.	Statistical reporting	<p>Failure to submit accurate import, export or transfer declarations could affect the completeness and accuracy of statistical reporting.</p>	<p>a. Identify statistical reporting requirements in each Member State involved in the SASP at an early stage and ensure legal obligations are met.</p> <p>b. Identify persons responsible within the business and government authority</p>

			<p>in each Member State responsible for statistical requirements.</p> <p>c. Establish commercial systems used by the applicant for compilation of the statistical return in each Member State.</p>
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Section IV Financial Solvency

The aim is to establish that the applicant meets the criteria of proven financial solvency as indicated in Article 14j of CCIP and Article 253c of CCIP. The legislation lays down that financial solvency means a good financial standing which is sufficient to fulfil the commitments of the applicant, with due regard to the characteristics of the type of the business activity. If the applicant has been established for less than three years, his financial solvency shall be judged on the basis of records and information that are available.

Further guidance on how to assess the criteria can be found in TAXUD/2006/1450 the AEO Guidelines section IV.

AEO Status granted to the company in one/all Member States - role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	Insolvency	Significant changes in one or more Member State since the AEO status was granted.	a. Utilise information obtained during the AEO approval processes ensuring it reflects all aspects of the SASP application

AEO Status not granted to the company in any Member State - role of the supervising and participating Member State(s)

No.	Indicator	Risks	Action to be taken
1.	Insolvency	<p>Annual accounts not available or finalised within the time limits.</p> <p>Legal requirements covering annual accounts not met in Member States</p> <p>Previous issues covering insolvency of the applicant.</p>	<p>a. Establish if the applicants finalised annual accounts are up to date and obtain copies for the last three years.</p> <p>b. If the applicant is a company ensure the finalised annual accounts have been submitted to the appropriate registration body within each Member State within the time scales required.</p> <p>c. Ensure the applicant is able to meet their financial obligations in relation to their business and pay their legal debts to the customs authorities as appropriate.</p> <p>d. Check records held by the customs authorities in each Member State to identify any irregularities affecting the solvency of the applicant.</p> <p>e. Ensure any previous customs applications or approvals (including AEO) have not be refused or rejected on the grounds of insolvency.</p>

ANNEX VI DIVISION OF RESPONSIBILITY

Authorising Member State	Participating Member State
Issuing process	
<p>An application for a Single Authorisation is submitted to the responsible customs authorities in the Member State where the main accounts are held or are accessible.</p> <p>After receiving the application, the competent customs authority examines the criteria for granting the authorisation. This process may include:</p> <ul style="list-style-type: none"> • verifying whether the obligations with regard to simplified procedures can be fulfilled by the company; • an audit of the management and internal control of the company; • a risk analysis. <p>When the customs authorities are convinced that the requirements for granting a Single Authorisation have been met, a draft of the authorisation is made and sent to the contact point(s) in the participating Member State(s) (if necessary in the appropriate translations) via the IT-system.</p> <p>Until the SA-IT-system is implemented, e-mail should be used.</p> <p>The authorisation is granted/refused.</p> <p>A final version of the authorisation is distributed to the Member State(s) concerned and if necessary in the appropriate translation(s) via the IT-system. Until this system is available, e-mail should be used.</p>	<p>Depending on the circumstances, part of the pre-audit may be carried out in the participating MS, if possible in the form of a joint audit.</p> <p>The customs authorities of the participating MS, after having received the application and the draft authorisation, must raise any objections or communicate their decision to the issuing customs authorities within 30 days; if more time is needed to make a decision, the supervising office must be informed of the reasons within the same time limit. During this period of time provisions for VAT and STATS (and national regulations) are made.</p> <p>The decision is communicated to the supervising Member State via the IT-system. Until this system is available, e-mail should be used.</p>

ANNEX VII JOINT CONTROL PLAN BETWEEN THE CUSTOMS ADMINISTRATIONS PARTICIPATING IN THE SINGLE AUTHORISATION FOR THE SIMPLIFIED PROCEDURES

1. Control Actions

Kind of control	Operating customs office	Main reason for the control	Further reason
Inspection according to Article 68 a) Reg. (EC) No 2913/92	Local or supervising office	Concrete request from the supervising customs office or initiated by the local office under national legislation	Notification of the control results to the supervising customs office
Inspection of the goods under Article 68 b) Reg. (EC) No 2913/92	Local office	Concrete request from the supervising customs office or initiated by the local office	Notification of the control results to the supervising customs office
Retrospective checks on procedures in the authorisation holder's or representative's company (customs audit)	Competent customs authority	Concrete request from the supervising customs office or initiated by the local office	Transmission of the audit results to the supervising office
Value added tax (VAT) and other national regulation.	Responsible office according to national legislation or maybe service in charge of post-release controls	Required under national VAT law; concrete request by the responsible office in accordance with national legislation	Demand for additional information by the supervising customs office
Verification of data in the supplementary declaration; for instance amount of customs duties	Supervising customs office	Required by law and in accordance with national administrative instructions	In the case of discrepancies which would have an effect on customs duties and would also affect the VAT in the participating Member State, the local offices are informed
Taking an inventory	Local customs office	Customs audit; concrete request from the supervising customs office	An inventory is taken in the storage place in the participating MS; notification of the control results to the supervising customs office

2. General arrangements:

- Each request and each answer / notification has to be completed using the form set out in annex X, in English. If necessary an additional sheet can be added. This should be done electronically where possible.
- How and where to communicate the requests and answers and/or notifications? This is to ensure that the information is passed on to the intended contact person.
- The two people indicated below will cooperate closely to ensure the control and administration of the procedure.

3. Contact points:

a) supervising customs office:

Name:

Address:

Official in charge:

Phone number:

Fax number:

email-address:

b) local customs office:

Name:

Address:

Official in charge:

Phone number:

Fax number:

email-address:

ANNEX VIII JOINT CONTROL PROGRAM

1. Joint control program

Authorising Member State	Participating Member State
<p>The authorising customs authorities and/or supervising office taking into consideration:</p> <ul style="list-style-type: none"> • the characteristics of the company (for instance AEO status); • the goods which are to be imported or exported and • relevant data, <p>carry out a risk analysis. The supervising office then decides the best strategy to reduce or eliminate eventual risks. This strategy is included in a draft control plan for the Single Authorisation (see Annex IX for a control plan including types of control, division of responsibilities and procedures).</p> <p>In general the control plan includes four types of control:</p> <ul style="list-style-type: none"> • audits (administrative controls); • verification of the declaration and other documents; • physical checks of the goods;² • post release controls; • . <p>The draft control plan is sent to the contact point(s) in the participating Member State(s), if necessary in the appropriate translation(s), via the IT-system. Until this system is available, e-mail should be used.</p>	<p>The contact point in the participating Member State contacts the local customs office(s) and, if necessary, other competent authorities.</p> <p>The draft control plan indicates any special notifications required, and the clearance procedure.</p>

² Physical checks of the goods are carried out by the local offices responsible for the place where the goods are located at the time of import / export.

In general, it will indicate the type and the number of controls to be carried out and practical requirements, such as response times.

Where appropriate, the customs authority also informs the supervising office about controls required under national legislation.

It is recommended that a common meeting between the customs administrations of the authorising MS and the participating MSs is organized. This would contribute to a better mutual understanding and offers the possibility of building a better relationship between the contact persons concerned. .

The draft control plan is completed taking account of the suggestions and requests made by the participating Member States. If necessary, some procedures will be inserted in the authorisation.

The control program is agreed via the IT-system.

In exceptional circumstances, the customs authorities in the participating MS carry out post-release controls.

The control program is agreed via the IT-system. Until this system is available, e-mail should be used.

2. Physical checks

Authorising Member State	Participating Member State
<p>The authorisation must specify where and how the goods covered by the authorisation will be released for free circulation or another customs procedure, given that import goods may be released for free circulation or other customs procedure both by the supervising office and by the local customs office.</p> <p>The supervising office has to decide, together with the local customs offices, on the checks to be carried out in order to assure the supervision of the procedure and the release of the goods for free circulation or other customs procedure. It may be decided that the local customs office should be notified of all consignments during a specific time period or involving specific types of goods.</p> <p>In accordance with the control plan, the supervising office asks the local customs offices to carry out a number (or percentage) of physical checks on specific subjects. Usually a time limit must be established during which the decision about the need to check the imported goods must be made.³</p>	<p>The holder of the authorisation has to notify the local customs office of the situations foreseen in the authorisation, in principle whenever national requirements have to be met during a predefined time period.</p> <p>Local customs offices carry out physical checks taking account of national legislation and the control plan.</p> <p>Taking account of the control plan, the local customs office, based on the notifications or at the request of the supervising customs office, carries out the physical checks. However, local customs offices can carry out any type of controls on their own initiative (especially discharge of transit).</p> <p>The results of these checks are reported to the supervising customs office. The document in Annex X can be used both to request a physical check and to report the results of controls carried out.</p> <p><i>Only for the simplified declaration procedure:</i></p>

³ When it is necessary that a specific shipment has to be checked, this request must be forwarded to the local customs office directly.

For the simplified declaration procedure a simplified declaration has to be lodged, for each import, at the competent local customs office.

Other types of control	
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The supervising office verifies declarations, carries out post-clearance controls, audits and reassesses procedures.	Part of the controls will be carried out in the participating Member State(s), if possible in the form of a joint audit, whenever it is considered advisable.
The supervising office should inform the participating Member State(s) of any irregularities detected.	

ANNEX IX STANDARD CONTROL PLAN

Objectives of the control plan

According to Article 253 (6) CCIP the holder of the authorisation shall comply with the conditions laid down and the obligations resulting from the authorisation and the rules governing the incurrence of a customs debt. In order to monitor the compliance the customs authorities need to draw up a control plan describing the controls that should be carried out. The scope and the frequency of the controls will vary depending on the results of the risk analysis and whether the authorisation holder has an AEO certificate according to Article 14a (1) a) or c) CCIP or not. The division of responsibility between the authorising Member State and the participating Member State should be indicated in the control plan.

This is a standard control plan. A separate control plan on the basis of these guidelines has to be drawn up for each Single Authorisation.

1. Verification of the declaration or notification and other documents - AEO

No	Compliance Action	Frequency	Risk Factor (High, Medium, Low)
1	<p>For the verification of electronic or paper-based declarations or notifications which they accepted, the customs authorities may according to Articles 68 (a) CC, 266 (1) and/or 285 (1) CCIP:</p> <p>Examine the documents or data covering the declaration or notification and the documents accompanying it. The customs authorities may require the declarant to present other documents for the purpose of verifying the accuracy of the particulars contained in the declaration.</p>	<p>According to Article 14 b (4) CCIP</p> <p>According to Article 4 f–j CCIP</p>	

2	<p>For the verification of declarations or notifications which they accepted, the customs authorities may according to Articles 68 (b) CC, 266 (1) and/or 285 (1) CCIP:</p> <p>Examine the goods and take samples for analysis or for detailed examination.</p>	<p>According to Article 14 b (4) CCIP</p> <p>According to Article 4 f–j CCIP</p>	
3	<p>Random check:</p> <p>The basis for the selection of consignments or declaration or notifications to be subject to customs controls shall include a random element according to Article 4 f (2) CCIP</p>	<p>According to Article 14 b (4) CCIP</p>	
4	<p>Notification to the customs authorities.</p> <p>The customs authorities may waive the requirement to present the goods to customs according to Article 76 (1) (c) CC.</p> <p>On condition that checks on the proper conduct of operations are not thereby affected, the customs authorities may exempt the holder of the authorisation from the requirement to notify the competent customs office of each arrival or departure of goods (Articles 266 (2) (b) and 285 (2) CCIP).</p> <p>The operator can, nevertheless, be asked to notify the customs authorities during a certain period of time.</p>	<p>According to Article 4 f–j CCIP</p>	

2. Verification of the declaration and other documents - non AEO

No	Compliance Action	Frequency	Risk Factor (High, Medium, Low)
1	<p>For the verification of electronic or paper-based declarations or notifications which they accepted, the customs authorities may according to Articles 68 (a) CC, 266 (1) and/or 285 (1) CCIP:</p> <p>Examine the documents or data covering the declaration or notification and the documents accompanying it. The customs authorities may require the declarant to present other documents for the purpose of verifying the accuracy of the particulars contained in the declaration.</p>	According to Article 4 f–j CCIP	
2	<p>For the verification of declarations or notifications which they accepted, the customs authorities may according to Articles 68 (b) CC, 266 (1) and/or 285 (1) CCIP:</p> <p>Examine the goods and take samples for analysis or for detailed examination.</p>	According to Article 4 f–j CCIP	
3	<p>Random check:</p> <p>The basis for the selection of consignments or declaration or notifications to be subject to customs controls shall include a random element.</p>	According to Article 4 f(2) CCIP	
4	<p>Notification to the customs authorities.</p> <p>The customs authorities may waive the requirement to present the goods to customs according to Article 76 (1) (c) CCC.</p> <p>On condition that checks on the proper conduct of operations are not thereby affected, the customs authorities may exempt the holder of the authorisation</p>	According to Article 4 f–j CCIP	

<p>from the requirement to notify the competent customs office of each arrival of goods (Articles 266 (2) (b) and 285 (2) CCIP).</p> <p>The operator can, nevertheless, be asked to notify the customs authorities during a certain period of time.</p>		
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3. Post release controls - AEO and non AEO

No	Compliance Action	Frequency	Risk Factor (High, Medium, Low)
1	<p>Retrospective check will be made</p> <p>a) on supplementary declaration by the authorising Member State:</p> <ul style="list-style-type: none"> destination of the goods tariff classification duties valuation origin exchange rates if applicable freight costs and terms of delivery <p>b) on compliance with prohibitions or restrictions or any other provisions governing release for the customs procedure concerned;</p> <p>c) on the handling of licenses and authorisations connected to commercial or agricultural policy measures;</p>	Based on identified risks.	

	<p>d) on that employees dealing with customs matters are still aware of the need to inform the customs authorities whenever compliance difficulties are discovered and suitable contacts are established to inform the customs authorities of such occurrences;</p> <p>e) on that where the applicant is a representative, satisfactory records and procedures are in place allowing the customs authorities to identify the persons represented and to perform appropriate customs controls.</p> <p>f) by the participating Member State concerning: VAT Statistics on compliance with national prohibitions or restrictions or any other national provisions governing release for the customs procedure concerned</p>		
2	Retrospective checks on Export or Re-export will be performed in order to verify that the exported goods have left the Community		

4. Monitoring - AEO and non AEO

No	Compliance Action	Frequency	Risk Factor (High, Medium, Low)
1	Retrospective checks will be performed by system based controls in order to verify the requirements set up in Article 253c (1) c) CCIP.		
2	Retrospective checks will be performed in order to verify that the procedures		

	are carried out as agreed between the customs authorities and the operator.		
3	Retrospective checks will be performed in order to verify that changes in legal requirements are observed by the authorisation holder		
4	Retrospective checks will be performed in order to verify that relevant changes in the legal structure and/or business operation of the authorisation holder are observed by the authorisation holder and communicated to the supervising customs office		
5	Retrospective checks will be performed in order to verify that the holder of the authorisation has informed the issuing customs authority of all factors arising after the Single Authorisation is granted which may influence its continuation or content according to Article 253 (7) CCIP.		

5. SASP GENERAL MATTERS

No	Compliance Action	Frequency	Risk Factor (High, Medium, Low)
1	Decide on methods and a timescale for communication between the Customs Authorities of the Member States involved	as required	
2	Meetings between the Customs Authorities of the Member States involved on progress of SASP	as required	
3	Meetings between the Customs Authorities of the Member States involved to review operation of the SASP Control plan	as required	

4	Meetings between the Customs Authorities of the Member States involved and the authorisation holder or his representatives to review operation of the SASP Control plan	as required	
5	Communicate the request for controls, results of control and other detected irregularities between the authorising and the participating Member State		
6	Joint audits	as required	

**ANNEX X REQUEST OF CONTROL IN THE CONTEXT OF SINGLE
AUTHORISATION FOR SIMPLIFIED PROCEDURES**

Requesting office/supervising office or local office

(name, address, officer's name, phone, email-address)

Kind of control (description of the content of the control):



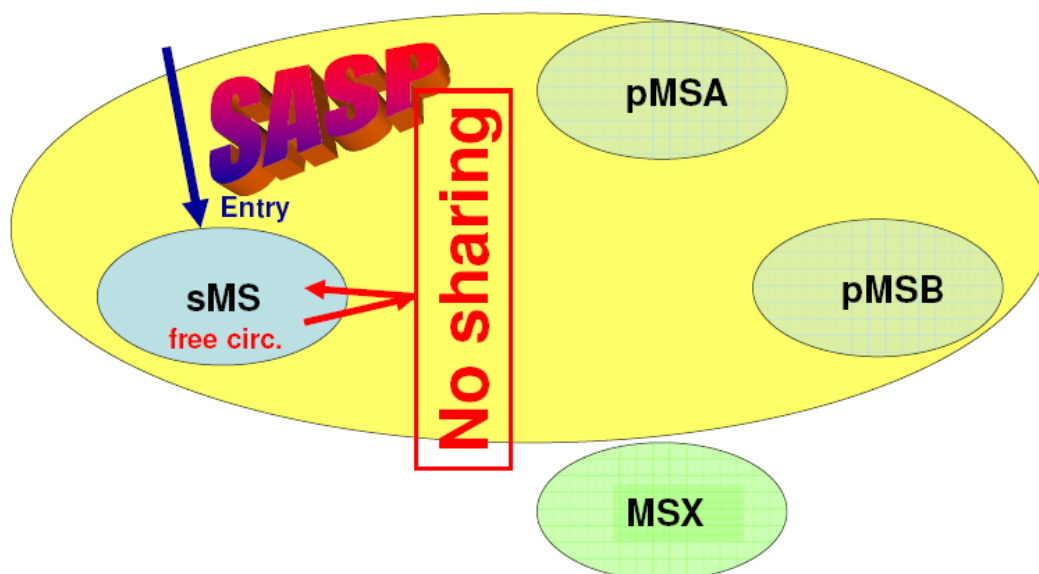
Result of control:

Office which carried out the control (name, address, officer's name, phone, email-address)

Result of control:

ANNEX XI POSSIBLE SCENARIOS FOR THE SHARING OF THE COLLECTION COSTS

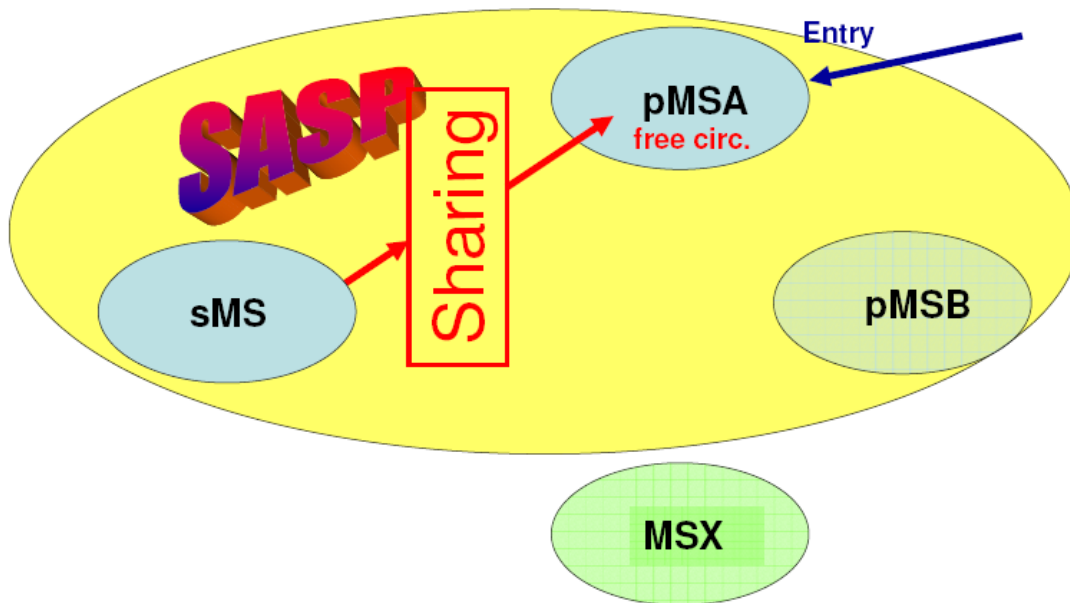
Entry and release of the goods in the supervising MS



The goods enter the Community in the supervising Member State (sMS) and are released for free circulation in that Member State.

As the release of the goods for free circulation takes place in the supervising Member State there is no need to share the collection costs with any participating Member State (pMS*).

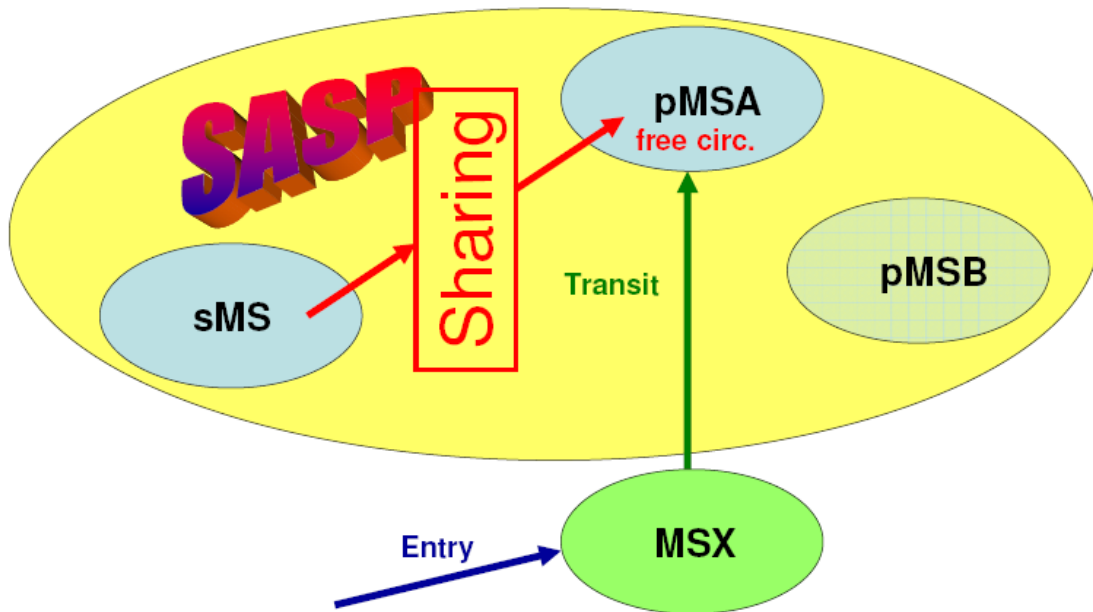
Entry and release of the goods in a participating Member State



The goods enter the Community in the participating Member State A (pMSA) and are released for free circulation in that participating Member State.

As the release of the goods for free circulation takes place in the participating Member State A (pMSA) the collection costs are to be shared between the supervising Member State (sMS) and the participating Member State A (pMSA).

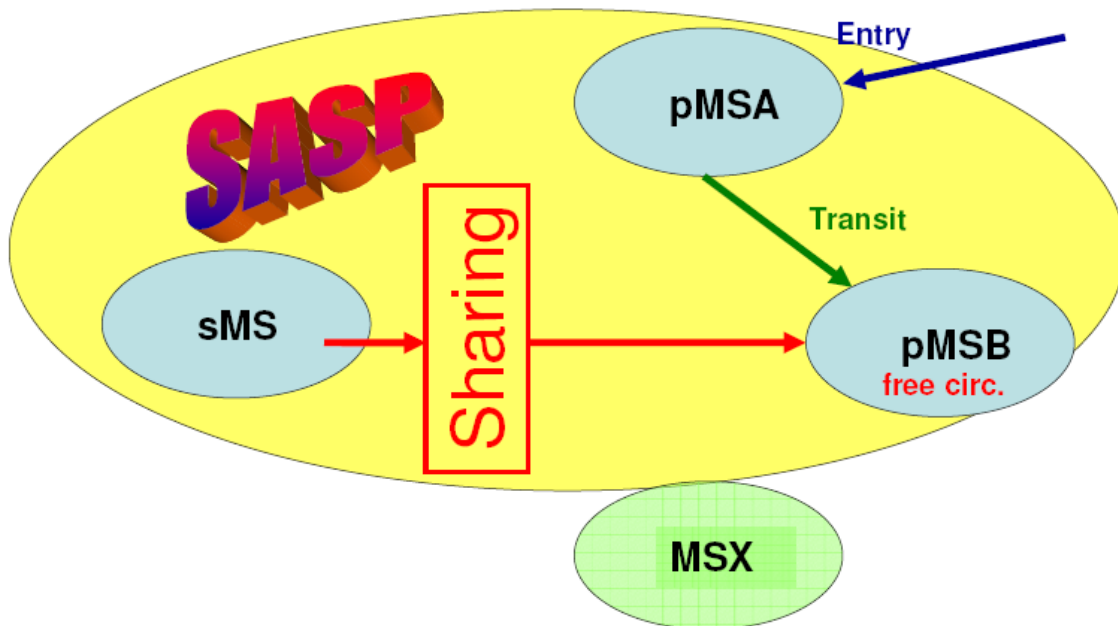
Entry of the goods in a non participating MS -> Transit -> Release of the goods in a participating MS



The goods enter the Community in a non participating Member State X (MSX). Using the transit procedure the goods are dispatched to the participating Member State A (pMSA) where they are released for free circulation.

As the release of the goods for free circulation takes place in the participating Member State A (pMSA) the collection costs are to be shared between the supervising Member State (sMS) and the participating Member State A (pMSA).

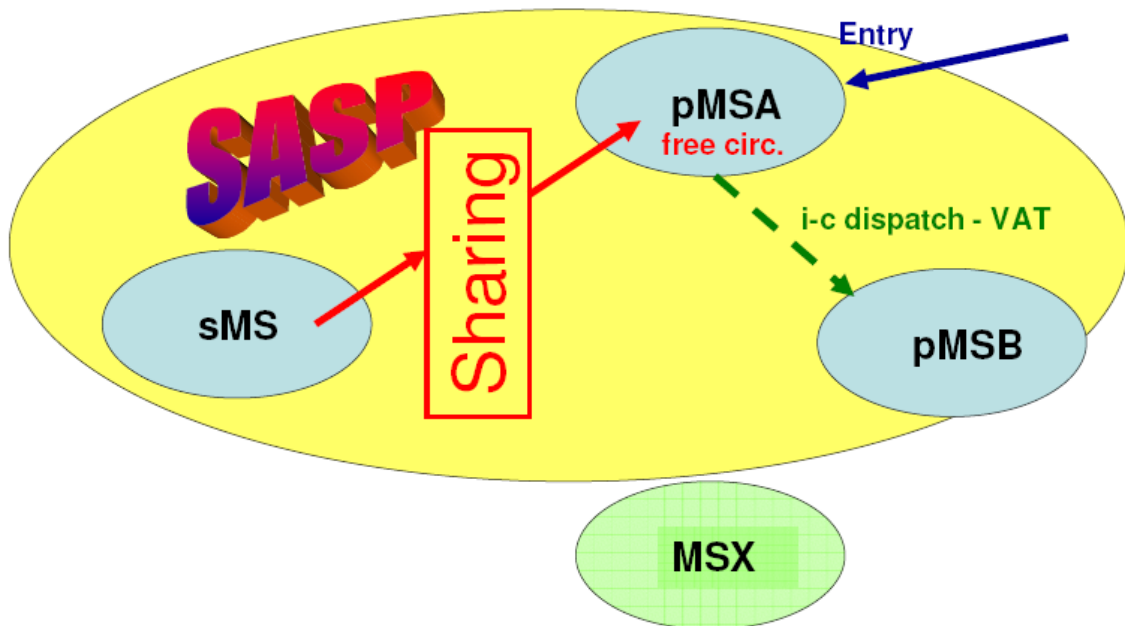
Entry of the goods in participating MSA -> Transit -> Release of the goods in participating MSB



The goods enter the Community in the participating Member State A (pMSA). Using the transit procedure the goods are dispatched to the participating Member State B (pMSB) where they are released for free circulation.

As the release of the goods for free circulation takes place in the participating Member State B (pMSB) the collection costs are to be shared between the supervising Member State (sMS) and the participating Member State B (pMSB).

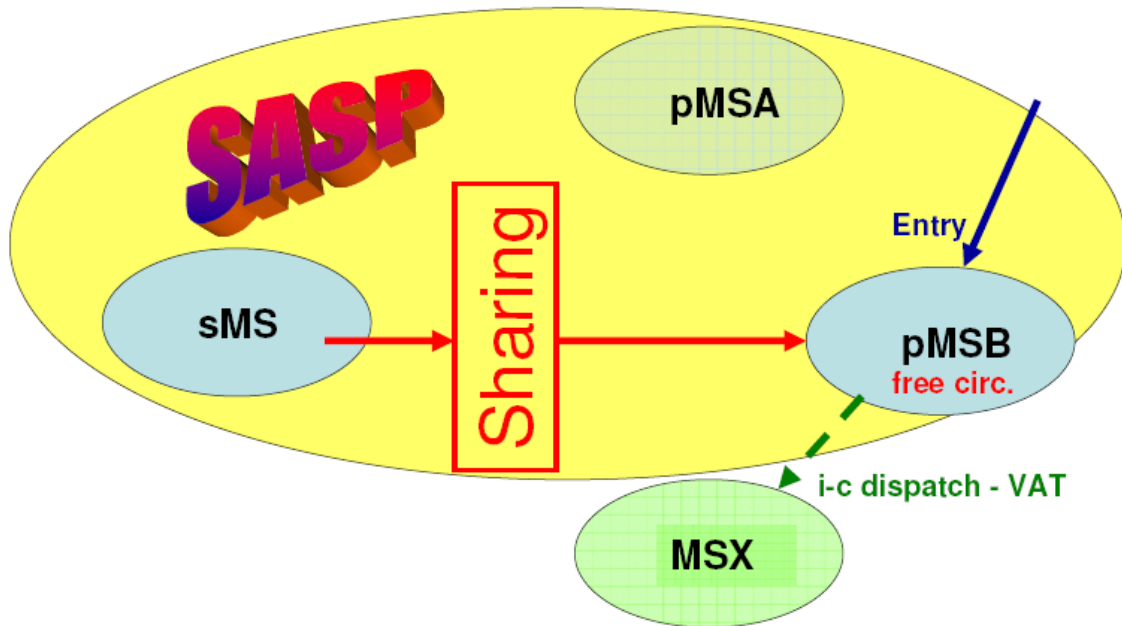
Entry and release of the goods in participating MSA -> intra community dispatch to participating MSB



The goods enter the Community in the participating Member State A (pMSA) where they are released for free circulation. Afterwards the goods are dispatched to the participating Member State B (pMSB) under VAT-exemption (intra community dispatch).

As the release of the goods for free circulation takes place in the participating Member State A (pMSA) the collection costs are to be shared between the supervising Member State (sMS) and the participating Member State A (pMSA).

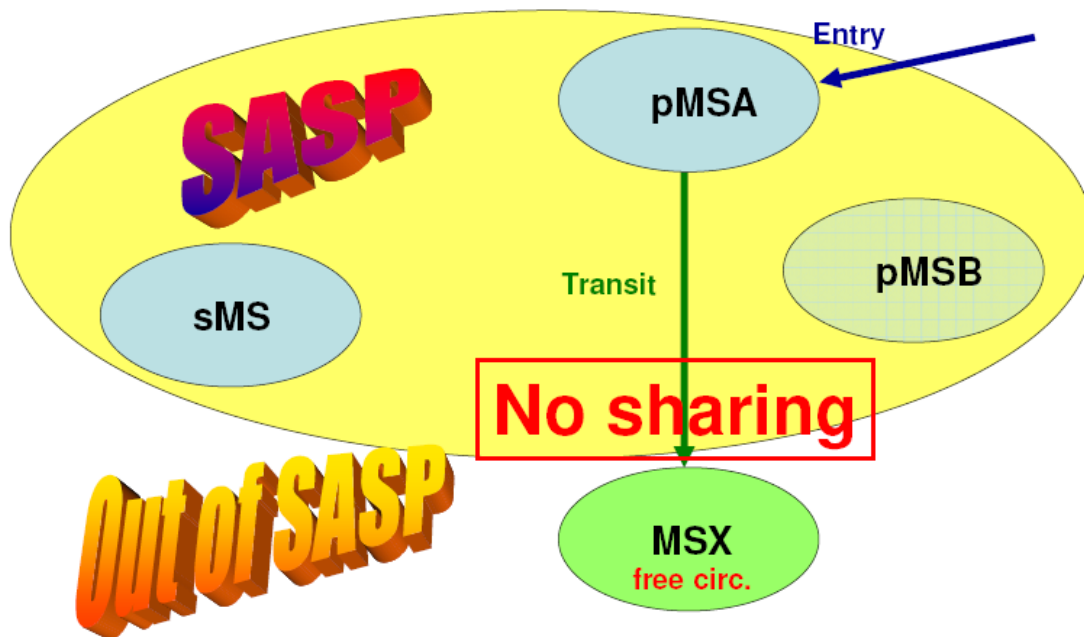
Entry and release of the goods in a participating MS -> intra community dispatch to non participating MS



The goods enter the Community in the participating Member State B (pMSB) where they are released for free circulation. Afterwards the goods are dispatched to a non participating Member State X (MSX) under VAT-exemption (intra community dispatch).

As the release of the goods for free circulation takes place in the participating Member State B (pMSB) the collection costs are to be shared between the supervising Member State (sMS) and the participating Member State A (pMSA).

Entry of the goods in a participating MS -> Transit -> Release of the goods in a non participating MS



The goods enter the Community in the participating Member State A (pMSA). Using the transit procedure the goods are dispatched to a non participating Member State X (MSX) where they are released for free circulation.

As the release of the goods for free circulation takes place in a non participating Member State X (MSX) the import duties are to be collected by that non participating Member state.

This scenario is out of SASP

Overview of possible scenarios

	Entry	Transit to	Release	i-c dispatch to	sMS sharing with
1	sMS	---	sMS	---	no sharing
2a	pMSA	---	pMSA	---	pMSA
2b	pMSB	---	pMSB	---	pMSB
3	MSX	pMSA	pMSA	---	pMSA
4	pMSA	pMSB	pMSB	---	pMSB
5	pMSA	---	pMSA	pMSB	pMSA
6	pMSB	---	pMSB	MSX	pMSB
7	pMSA	MSX	MSX	---	no SASP