

Explanatory notes for AEO-Self Assessment Questionnaire

The purpose of the AEO SAQ is to help you understand the requirements associated with obtaining AEO status and provide Customs with information about you and your business in addition to that provided in your application. The information provided in the AEO-SAQ by the economic operator can also be used in the process of granting other authorisations in which it is necessary to be compliant with some or all of the AEO criteria. These instructions provide you both guidance on how to answer the questions in the SAQ as well as information on the standards customs authorities expect you to achieve and demonstrate to them in order to obtain the AEO authorisation.

1. This questionnaire is built on the provisions of the CCC and CCIP, their amendments and the AEO Guidelines (Document TAXUD/B2/047/2011 Rev.5). It simplifies and speeds up the AEO application process and combines Annex 2 of the AEO guidelines and the mandatory annexes mentioned in the explanatory notes to the application form (Annex 1C of the CCIP).

The Customs administrations therefore strongly recommend economic operators the use of this questionnaire tool to check their readiness to meet the AEO criteria.

It also allows for the Customs administration to get a good overall picture of the applicant together with the application form and that will result in speeding up the authorisation process. Economic operators are therefore invited to fill in the questionnaire in a correct way and answer to all relevant questions for their business.

You can find additional information about AEO status on the [European Commission's Europa website](#) and your national Customs administration's website.

Please note that it is important to read the applicable legislation and the European Commission's AEO Guidelines carefully, before starting the application process.

2. The questionnaire should be submitted together with the application for an AEO certificate to the competent customs authority (the manner of submission will be dependent on the facilities that the relevant customs authority has in place).

It is recommended to contact the competent customs authority should you have any questions regarding the questionnaire or the application before submitting them.

3. The questionnaire contains the most important issues that can be of use for the customs authorities under each section. However, some issues affect only certain actors in the international supply chain. This can also vary depending on the type of certificate that your company applies for. You do not need to answer questions that are irrelevant for your business. Please answer these issues with "Not applicable" followed by a short comment on why it is not applicable. You can for example make a reference to the part of the international supply chain that you are involved in or the type of certificate you are applying for. Please see the specific table at the end of the Explanatory Notes for references regarding which questions are relevant for different actors in the supply chain and depending on the type of certificate requested.

If you already have customs simplifications or other customs authorisations that demonstrate that one or more AEO criteria are fulfilled, then it is sufficient to refer to those simplifications or authorisations.

If your company holds certificates, expert reports or any other conclusions from experts (for example economic reviews, international certificates etc.), please either provide them or make reference to them. For more references see the corresponding section in the AEO Guidelines, which covers relevant criteria completely or in some parts, please indicate this in your answer to the relevant question. Please note that this is not necessary, but if you have any of them it could be useful information for customs authorities and could result in speeding up the process.

Please note that all the questions may not be necessary to answer in all MS. This can vary depending on whether the customs authorities in that MS already have access to the information or not (for example through different databases). This mainly concerns sections 2 and 4 of the SAQ. The competent customs authority in the MS where you are going to apply will advise you if this applies.

4. It should be noted that individual answers to questions are not considered in isolation but as part of an overall assessment process in relation to the criterion concerned. One unsatisfactory answer to a single question may not lead to a refusal of AEO status, if the criterion is shown to be fulfilled elsewhere in the process (in overall terms).

5. The conditions and criteria for an AEO certificate are the same for all economic operators.

However, customs authorities will take into account the size of the company (SME), legal status of company, structure, your key business partners and also the specific economic activity. This means that the implementation of measures in order to fulfil the criteria can vary from operator to operator depending on size for example, without challenging the compliance of the requirements.

6. An AEO authorisation is based on the same principles as other international standards and where internal quality assurance standards are being adhered to by the company. **You are responsible for having quality assured procedures** at your premises, for customs matters as well as security and safety (if applicable). At the site visits your company should show the customs authorities that you have adequate internal procedures in place, in order to manage your customs and/or security and safety matters and adequate internal controls in order to assure that those procedures work properly. **Internal policies and/or instructions must be documented either electronically or in paper form. They must be known within the organisation, be available to all users and of course continuously updated.**

Therefore, the first step relates to your internal quality assurance standards. The answers in the questionnaire submitted together with the application should be a summary of the internal procedures and instructions you have in place in order to give the customs authorities an overall picture of your business. In order to reply to the questionnaire and to be prepared for the AEO audit process all the main departments of your business involved in the international supply chain (customs, logistics, accounting, computing, purchasing, sales, security, quality departments, etc.) will have to be involved in the process.

7. Internal company policies or instructions regarding customs matters and/or security and safety, could be referred to in your answers in the questionnaire. If you do so, please specify the name or number of the document and keep this ready for an on site audit by the customs authorities. To speed up the process it is also possible to submit the documents (the manner of submission will be dependent on the facilities that the relevant customs authority has in place) together with the questionnaire.

8. The completed questionnaire together with any required supporting documents should be made available to the competent customs authority together with the application in an electronic form (preferably) or in writing.

9. The information sent within the application process falls under the data security legislation and will be treated as confidential.

Section I - Company's information

(Article 5a of the CCC, Article 14a and seq. and Annex IC of the CCIP)

This section is mainly to give the customs authority an overview on the company. The information requested can be given in a general way and serves as a snapshot of applicant's activities on the date of the application submission. If the requested information is already available to the competent customs authority then indicate this on the form or provide a reference to when the information was submitted.

Sub-section 1.1 General company information

1.1.1 For questions (a) and (b), please indicate the certificate and the application references (name and EORI number, issuing customs authority and registration number).

1.1.2 For question (a), include only shareholders who are involved in the day to day working/decision making process of the company.

1.1.3 The person responsible for customs matters is:

a) a person employed directly by you or appointed by you, e.g. customs agent to represent you in customs formalities, or

b) the person or persons responsible for representing you (legal representative) in matters involving customs law; they will be solicitors, lawyers, barristers etc. who may either be employed directly by you or appointed by you to represent you in customs legal matters.

1.1.4 Provide, where possible, the appropriate NACE Revision 2 code (statistical classification of economic activities) of your commercial activities. A definition of the international supply chain is provided in the AEO Guidelines, TAXUD/B2/047/2011-Rev.5, Part I, section II, point 1.II.4.

For assessing and indicating your role in the international supply chain, please use the following guidance¹:

¹ Codes used from UN/EDIFACT Party function code qualifier

a) manufacturer of goods (MF): Party who manufactures goods.

This code should be used only if the economic operator manufactures the goods. It does not cover cases where the economic operator is only involved in trading with the goods (e.g. exporting, importing).

b) importer (IM): Party who makes, or on whose behalf a Customs clearing agent or other authorised person makes an import declaration. This may include a person who has possession of the goods or to whom the goods are consigned.

This code should be used only if the economic operator has the possession of the goods. In case of customs representatives/agents, please use the code for 'customs broker'.

c) exporter (EX): Party who makes, or on whose behalf the export declaration is made, and who is the owner of the goods or has similar rights of disposal over them at the time when the declaration is accepted.

In case of customs representatives/agents, please use the code for 'customs broker'.

d) customs broker (CB): Agent or representative or a professional Customs clearing agent who deals directly with Customs on behalf of the importer or exporter.

The code can be used also for economic operators who acts as agents/representatives also for other purposes (e.g. carrier's agent)

e) carrier (CA): Party undertaking or arranging transport of goods between named points.

f) freight forwarder (FW): Party arranging forwarding of goods.

g) consolidator (CS): Party consolidating various consignments, payments etc.

h) terminal operator (TR): A party which handles the loading and unloading of marine vessels

i) warehouse keeper (WH): Party taking responsibility for goods entered into a warehouse

Warehouse should not be considered compulsory as customs warehouse; therefore this code should be used also by economic operators who are other storage facility operators (e.g. temporary storage, free zone, etc.).

j) others: e.g. container operator (CF), stevedore (DEP), shipping line service (HR).

In case you have more than one role in the international supply chain, please include the relevant codes to indicate them.

1.1.5 Provide details of the locations involved in customs activities (if you have more than five locations involved in customs activities, please provide only details of the five principal locations involved in customs activities) and addresses for the remaining locations involved in such activity.

In case of new locations involved in customs activities during the AEO application process, you must provide full details of them.

1.1.6 This is to determine whether you trade (goods, not services) with your associated businesses or not. For example, all your purchases are from your parent company in the USA or you import on behalf of and distribute to associated businesses in MS. You must provide full details during the authorisation process.

1.1.7 A detailed organisational chart including the different areas/departments of your business, their functions/responsibilities and the management chain may be provided in this respect.

1.1.8 Where not already mentioned in questions 1.1.2 (b) and (c), please indicate full name and address, date of birth and National Identification Number (e.g. national ID card number or National Insurance Number).

The procedures should outline the arrangements for dealing with temporary or short term absences of key staff e.g. customs manager, import clerk including how their normal responsibilities are covered and by whom.

1.1.9 Provide the (approximate) number known at the time of submission of your application.

1.1.10 For question (a), please indicate the number of persons in charge of the customs matters, their main tasks and their level of training in customs matters. If you have no customs department or customs expert within your company, state “not applicable”. See Q 1.1.3 also covering this matter.

1.1.11 Consent to disclose the AEO details on the TAXUD website

If you want your name to be included on the list of AEOs published on the TAXUD website, then your written consent is required. This consent applies to all types of certificates. If you do not provide your consent you will still receive the benefits of the AEO status but your name will not be visible to the public through the list published on the TAXUD website. If you do provide your consent you have the right to withdraw it at any time. If you request removal then you are automatically removed from the list mentioned above. You have also the right to provide your consent by sending a written request to the competent customs authority at any time, after the certificate has been issued. Changes to your consent must be made by informing the competent customs authority in writing. The only signature acceptable for these purposes is the signature of the person with authority to sign on behalf of the economic operator.

1.1.12 Consent to exchange AEO details

The consent for mutual recognition is relevant only for AEOF or AEOS.

For mutual recognition agreements to be practically implemented it is imperative that trading partners' Customs Services are aware of each others' AEOs. Exchanging some details related to the AEOs is essential, for example the validity of the AEO status is a

necessary part of the information exchange and the data exchanged will be strictly for the purposes of implementing mutual recognition of AEO programmes.

Your consent to exchange your AEO details with the Customs Services of third countries under mutual recognition agreement would be general, not related to specific third countries. However under the EU Data Protection legislation, the EU customs authorities can only exchange your AEO details after an assessment of the level of data protection provided by the third country to ensure that it provides an adequate level of protection.

If you prefer not to give your consent, your AEO details will not be exchanged with any of EU's mutual recognition partner countries and you will not be able to receive the benefits included in the mutual recognition agreements.

If you provide your consent you also have the right to withdraw it at any time by sending a written request to the competent customs authority. However, the withdrawal of your consent to exchange your AEO details will also result in the withdrawal of the benefits associated with mutual recognition. The withdrawal will also be general, meaning that customs authorities will no longer exchange your AEO details with any of EU's mutual recognition partner countries. You have also the right to provide your consent at any time after the certificate has been issued.

You should provide two explicit and separate consents, one for publishing your information on the internet and the other for the purpose of mutual recognition. The signature for the purpose of this consent is the signature of the person with authority to sign on behalf of the economic operator.

1.1.13 To make the exchange of AEO details possible, the EU needs to transliterate, where necessary, the relevant AEO details into the characters of the simple 26 letter alphabet (Latin 1). You would have to advise your business partners in those partner countries to use this transliteration of your company's name and address in their operations (e.g. customs declarations) with the relevant customs administrations. Some countries are not able to use the same character set used in the EU. Cyrillic letters, specific characters such as accents above or below letters, or letters beyond the simple 26 letter alphabet (Latin 1) cannot be input in their Information and Communication Technology (ICT) systems (A list of allowed characters can be found at the Unicode Standard website: <http://www.unicode.org/charts/PDF/U0000.pdf> (#x0020-#x007E)).

Please input your transliterated name, street, number, postal code and city in this box. If you don't give your consent to exchange AEO details or only apply for an AEOC you do not need to fill in this box.

Sub-section 1.2 Volume of business

1.2.1 If you are a new business and have fewer than three full sets of accounts, provide details from those which have been completed. If you have not traded long enough to have produced any finalised full sets of accounts, state "not applicable".

1.2.2 Please indicate the location of these storage facilities (if you have more than five sites indicate the 5 main facilities and the total number of facilities and all facilities located in other MS).

1.2.3 For customs agents/third party representatives, include all declarations made both in your name and on behalf of others.

An example:

	Import		Export		Transit	
	number	value	number	value	number	value
2007	2200	€9.6 m	400	€2.6 m	150	€0.8 m
2008	2500	€10.3 m	350	€2.2 m	100	€0.4 m
2009	2400	€10.2 m	340	€2.1 m	100	€0.5 m

1.2.4 For customs agents/third party representatives, include all revenue paid through your customers' or your payment facilities.

An example:

	Customs duty	Excise duty	VAT
2007	€300 m	€1.75m	€2.32m
2008	€400m	€1.87m	€2.12m
2009	€380m	€1.85m	€2.10m

1.2.5 Known future changes are the changes which may influence the organisation of the company, the fulfilment of the AEO criteria or the risk assessment of the international supply chain. This may include for example changes in key personnel, changes to your accounting system, opening new sites, awarding new logistics contracts etc.

Sub-section 1.3 Information and statistics

1.3.1 For questions (b) and (c), if your partner(s) are currently undergoing an AEO audit, please indicate the certificate and/or the application references (name and EORI number, issuing customs authority and registration number).

1.3.2 For question (a), please indicate the name and position of the member of staff responsible for classifying your goods or if you use a third party to do this work, include their name.

For questions (b) and (d), especially if you use a third party, how do you ensure that this work has been done correctly and according to your instruction?

For question (b), indicate whether you maintain a product file in which each article is linked to a commodity code with the appropriate duty and VAT rates.

For question (c), if quality assurance measures are put in place, you should provide evidence, during the visit of customs auditors, that you regularly and fully review them, document any changes and notify affected staff of the changes.

For question (d), please indicate how, by whom and the frequency you review the classifications and update the product file and any other dependant records as well as notifying any persons affected by the change e.g. customs agent, purchasing staff.

For question (e), indicate also if you use any Binding Tariff Information (s) BTIs.

During the audit process you might need to make available:

- details/lists or product files of your products and their relevant commodity codes and duty rates
- the resources/information e.g. up to date tariff, technical information you usually use to classify your goods.

1.3.3 (a) Indicate the name and position of the member of staff responsible for the valuation of goods or if you use a third party to do this work, include their name.

1.3.3. (b) and (d) - If you use a third party, how do you ensure that this work has been done correctly and according to your instruction?

1.3.3 (b) The quality assurance measures should include, for instance,

- the evaluation method(s) used,
- how valuation statements are completed and submitted when required,
- how the customs and VAT values are determined,
- how freight and insurance costs are accounted for,
- royalties and licence fees related to the imported goods payable either directly or indirectly by the buyer as a condition of sale,
- arrangements under which part of the proceeds of any subsequent resale, disposal or use is paid directly or indirectly to the seller,
- costs incurred by the buyer (but not included in the price) in respect of commissions or brokerage (except buying commissions) or
- costs incurred in relation to containers and packaging, goods and/or services supplied by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods.

1.3.3 (c) If quality assurance procedures are put in place, you should provide evidence, during the visit of customs auditors, that you regularly and fully review your procedures, document any changes and notify affected staff of the changes.

1.3.4 For question (b), internal actions would normally include measures on how you ensure:

- the exporting country is entitled to give a preference and that the goods attract a preferential rate of duty
- the direct transport/non-manipulation requirements are met
- a valid and original certificate or an invoice declaration is available when preference is claimed
- the certificate or invoice declaration is appropriate for the consignment and that the origin rules are met
- no opportunity to duplicate use of the certificate/invoice declaration
- import preference claimed within the period of validity of the certificate/invoice declaration, and
- original certificates/invoice declarations are retained as part of the audit trail in a safe and secure manner

For question (c), your approach should consider the way to ensure that:

- goods qualify for an export preference e.g. meet the rules of origin
- all necessary documents/calculations/costing/descriptions of processes to support preferential origin and the issue of a certificate/invoice declaration are retained as part of the audit trail in a safe and secure manner
- appropriate documents e.g. certificate or invoice declaration are signed and issued timely by an authorised member of staff
- invoice declarations are not issued for medium and high value consignments unless you have been approved by customs to do so
- unused certificates are stored safely and securely, and
- certificates are presented as required to customs at export.

1.3.5 Provide as appropriate:

- the names of the non-EU countries; and/or
- the names and addresses of the manufacturers on whose goods you have to pay anti-dumping or countervailing duties.

Section II - Compliance record

(Article 5a of the CCC, Article 14h of the CCIP, AEO Guidelines Part 2, point 2.1, Annex 2, point 1)

NB: Pursuant to Article 14 h of the CCIP, the customs compliance record of your company and the persons identified in questions 1.1.2, 1.1.3 and 1.1.8 will be based on the last 3 years preceding the application. During that time you should not have committed a serious infringement or repeated infringements of customs rules. However, the record of compliance may be considered as acceptable if the infringements are of negligible importance in relation to the number or size of the customs related operations/activities and do not create doubts concerning the overall compliance levels.

In doing so, customs will consider:

- *irregularities/errors as a whole and on a cumulative basis*
- *their frequency to establish if there is a systematic problem*
- *if there was any fraudulent intent or negligence*
- *whether you notified Customs voluntarily of the error/irregularities you discovered*
- *if you took any remedial action to prevent or minimise future errors.*

2.1 a) Examples of breaches of customs rules detected:

- March to September 2006 – use of incorrect currency code on imports from China resulting in an over declaration of customs duty and VAT of €500.
- December 2006 – quarterly Inward Processing Regime suspension return not submitted.

If there are several, provide a total number and a brief summary of the main reasons for the errors.

2.1 b) Examples of quality assurance measures taken as a result of the 2 instances at 2.1a) above:

- 6.10.2006 - computer system change to prevent entries being finalised until check performed on declared currency.
- outstanding return submitted. Inward Processing Regime suspension return procedures reviewed to include quarterly management checks and issued to relevant staff.

Your quality assurance measures would normally include:

- the appointment of a responsible contact person within your business to disclose irregularities/errors, including suspicion of criminal activity, to Customs or other government departments;
- requirements, including frequency, for checks to be performed and evidenced on the accuracy, completeness and timeliness of the recording and maintenance of records e.g. declarations/returns made to customs and other regulatory authorities, compliance with the conditions of approvals/ authorisations;
- use of internal audit resources to test/gain assurance of your procedures;
- how staff are notified of requirements/changes;
- the frequency of future reviews;
- management checks to ensure procedures followed.

2.2 For example:

May 2006 – refusal of customs warehouse application due to lack of economic need.

June 2007 – withdrawal of Local Clearance Procedure authorisation due to persistent failure to submit supplementary declarations.

The refusal/suspension/withdrawal of any application/authorisation for customs decision will not necessarily result in the rejection of your AEO application.

Section III - Accounting and logistical system

(Article 5a of the CCC, Article 14i of the CCIP, AEO Guidelines Part 2, point 2.2, Annex 2, point 2)

In order to comply with the criterion mentioned in Article 14i letters (a) and (b) of the CCIP, you must maintain an accounting system which will enable audit-based customs control. To enable customs to apply the necessary controls, you must allow customs to have physical or electronic access to your records. Electronic access is not a pre-requisite to comply with this requirement.

In order to comply with the criterion mentioned in Article 14i letter (c) of the CCIP, you must also have a system or processes which distinguish between Community and non-Community goods, though this condition is not appropriate in the case of an AEO. **It should be noted that this is the only difference in requirements between AEOs and AEOFs.**

Sub-section 1: The audit trail

Many businesses and organisations require an audit trail in their automated systems for security reasons. An audit trail is a process or an instance of cross-referring each bookkeeping entry to its source in order to check its accuracy. A complete audit trail will enable you to track operational activities from the flow of goods and products coming in, being processed and leaving the business. A complete audit trail also maintains a

historical record that enables you to trace a piece of data from the moment it enters the file to the time it leaves.

The accounting system would normally include:

- general ledger
- sales ledger
- purchase ledger
- assets
- management accounts

The logistical system would normally include:

- sales order processing
- purchase order processing
- manufacture
- inventory – storage, warehousing
- shipping/transport
- supplier/customer lists

3.1 Your audit trail should include:

- sales
- purchases and purchase orders
- inventory control
- storage (and movements between storage locations)
- manufacture
- sales and sales orders
- customs declarations and documentation
- shipping
- transportation
- accounting e.g. invoicing, credit and debit notes, remittances/payments

Sub-section 3.2: The accounting system

3.2.1 Indicate if you use:

a) hardware such as:

- sole reliance on a free standing personal computer(PC),
- PCs which are networked together
- a “server” based computer system
- a mainframe based system
- other

b) software such as computer programs which allow the computer to run and execute the software applications that support the business, e.g. Windows, UNIX, etc.

c) systems such as (provide the name of the supplier):

- a fully integrated ERP solution
- a combination of accounting and logistical software applications
- a business software solution focused on small and medium sized enterprises
- a software solution developed by or for your business.

NB: during the authorisation process, you will need to demonstrate:

- *the extent of the computerisation*
- *the hardware platform available and the operating system running on it*
- *the segregation of functions between development, testing and operations*
- *the segregation of functions amongst users*
- *how access to the various parts of the system is controlled*
- *whether there have been any adaptations to the standard package*
- *the list of ledger accounts*
- *whether the system makes use of verification interim accounts*
- *how liabilities to customs/excise duty/VAT are recoded in the ledger*
- *whether you operate in batches*
- *whether your stock and financial records are linked*
- *how you manage your records, where these are maintained by a third party software provider*

3.2.3 If the activities, for example setting up standing data or keying data are split between more than one location, advise which activities are carried out at each location.

Sub-section 3.3 Internal control systems

As provided for in Article 14 i, letter d of the CCIP, you should have a system which corresponds to the type and size of your business and which is suitable to the management of the flow of goods, and have internal controls capable of detecting illegal or irregular transactions.

3.3.1 During the visit of auditors, you should provide evidence that you regularly and fully review your procedures, document any changes and notify affected staff of the changes.

3.3.2 Examples of the types of audit may be:

- internal audit within your company or by your parent company;
- external audit by customers, independent accountants/auditors, customs or other government departments.

You will also need to make any reports available when customs authorities visit your facilities as well as evidence of any remedial action taken to correct any deficiencies identified.

3.3.3 Standing data or master files mean key information about your business e.g. customers' names and addresses, suppliers, product files containing information on the description of the goods, commodity codes and origin etc.

Sub-section 3.4 Flow of goods

3.4.1 Your registration procedures should include, during the arrival of goods:

- purchase ordering procedures
- confirmation of order
- shipping/transport of goods
- supporting documentation requirements
- transport of goods from the frontier to your or your customers' premises
- receipt of goods at your or customers' premises
- payment/settlement
- how, when and by whom are goods entered into the stock record,

During the storage of goods,

- a clear assignment of a location for storage of the goods
- safe storage of dangerous/hazardous goods
- whether stock is recorded by value and/or quantity
- existence and frequency of stock-taking
- if a 3rd party's premises is used to store your goods, arrangements including reconciliation between your and 3rd party's stock record
- if a temporary location is used to store the goods,

During the manufacturing process of goods,

- raising the works order
- requisitioning of stock items and delivery from storage
- manufacturing process, staff responsibilities, and records maintained
- recipe codes
- recording the manufactured product and unused stock in the stock records
- use of standard manufacturing methods in the production,

And during the shipping process of goods,

- receiving customer order and raising works or purchase order
- informing the warehouse of the sale order/release of the goods
- instructions to 3rd party if goods stored elsewhere
- picking
- packing procedures
- how, when and by whom are the stock records updated.

3.4.2 Your checking and quality control procedures should include, during the arrival of goods:

- reconciliation between purchase order and goods received
- arrangements for returning/rejecting goods
- arrangements for accounting and reporting short and over shipments
- arrangements for identifying and amending incorrect entries in the stock record
- identification of non-Community goods within the system,

During the storage of goods,

- recording and controlling the stock
- identifying Community and non-Community goods (not appropriate for a AEOS)
- movement and recording of goods between locations within the same premises or different sets of premises

- arrangements for dealing with breakages, deterioration or destruction of goods, losses and stock variations,

During the manufacturing process,

- monitoring and management controls of the manufacturing process e.g. rates of yield
- how you deal with irregularities, variations, waste, by-products and losses in the manufacturing process
- quality inspection of manufactured goods and recording of results
- safe disposal of hazardous goods,

And, during the shipping process of goods,

- despatch/collection notes
- transport of goods to your customers or to the frontier for (re-)export
- raising sales invoices
- instructions to agent for (re-)exports and raising/availability/control of supporting documents
- acknowledgement of receipt/evidence of shipment of goods
- returned goods – inspection, counting and recording in stock
- payment and credit notes
- dealing with irregularities, short shipments and variations.

Sub-section 3.5 Customs routines

In order to comply with the criterion mentioned in Article 14i, letter e, of the CCIP, you should where applicable, have satisfactory procedures in place for the handling of licenses and authorisations connected to commercial policy measures or to trade in agricultural products;

In order to comply with the criterion mentioned in Article 14 i, letter g, of the CCIP, you should ensure that employees are made aware of the need to inform the customs authorities whenever compliance difficulties are discovered and establish suitable contacts to inform the customs authorities of such occurrences.

3.5.1 As importers, exporters, warehouse keepers, your procedures should include:

- how you ensure the completeness, accuracy and timeliness of customs declarations you make yourself, including performing management checks;
- presentation or availability of supporting documentation;
- up to date details (names and addresses) of customs agents/third parties used;
- how customs agents are appointed e.g. the credibility and suitability checks you perform before you appoint them;
- the circumstances when they are used;
- contracts detailing responsibilities, including the type of representation by customs agent e.g. direct, indirect;
- the way you provide clear and unambiguous instructions to your customs agent;
- how you provide supporting documents (e.g. licences, certificates etc) to your customs agent, including presentation and retention/return;
- what the customs agent should do if the instructions are unclear;
- checking/verification of the accuracy and timeliness of your customs agent's work by you;

- how you notify your customs agent of any errors/amendments regarding cleared entries;
- dealing with irregularities;
- voluntary disclosures of errors to customs.

As third party representatives, your procedures should include:

- contracts detailing responsibilities, including the type of representation to be used by you e.g. direct, indirect;
- how you ensure the completeness, accuracy and timeliness of customs declarations you make, including performing management checks;
- prompt presentation or availability of supporting documentation;
- how your staff are aware of customers' and contract requirements;
- what you do if the customers' instructions are unclear or the details provided are incorrect;
- what you do if you discover any errors/amendments regarding cleared entries;
- voluntary disclosures of errors to customs.

3.5.2 Where these instructions are documented, you should provide evidence, during the visit of customs auditors, that you regularly and fully review them, document any changes and notify affected staff of the changes.

3.5.3 If procedures for the handling of licenses and authorisations are in place, you should provide evidence, during the visit of customs auditors, that you regularly and fully review your procedures, document any changes and notify affected staff of the changes.

Sub-section 3.6 Procedures for back-up, recovery and fallback and archiving

In order to comply with the criterion mentioned in Article 14i, letter (f) of the CCIP, you should have satisfactory procedures in place for the archiving and retrieving of your records and information and for protection against the loss of information.

3.6.1 Your procedures should include what kind of media the data is stored, in which software format the data is stored and whether the data gets compressed and at what stage. If a third party is used, please indicate the arrangements, the frequency and location of any back-up and archived information.

3.6.3 If yes, please indicate how you guarantee the long-term availability of the technical quality of the recording and the availability of the hardware and program code.

Sub-section 3.7 Protection of computer systems

In order to comply with the criterion mentioned in Article 14i, letter (h) of the CCIP, you should have appropriate information technology security measures, for example firewalls and anti-virus protection, to protect your computer system from unauthorised intrusion and to secure your documentation.

3.7.1 For question (a), your actions should consider:

- an updated safety plan describing the measures in place protecting your computer system from unauthorised access as well as deliberate destruction or loss of information;

- details of whether you operate multiple systems at multiple sites and how they are controlled;
- who is responsible for the protection and running of the company's computer system (responsibility should not be limited to one person only but to several persons who are able to monitor each other's actions);
- details of firewalls and anti-virus protection;
- a business continuity/disaster recovery plan in case of incidents;
- back-up routines when your system does not work, including restoration of all relevant programs and data.

For question (b), indicate the frequency of testing your system against unauthorised access, the recording of results, and how to deal with incidents when the system has been compromised.

3.7.2 Your access rights procedures should include:

- how you issue authorisation for access and the level of access to the computer systems (access to sensitive information should be limited to staff who are authorised to apply changes/additions to the information);
- the format for setting passwords, frequency of changes and who issues passwords, and
- removal/maintenance/updating of user details.

Sub-section 3.8 Documentation security

3.8.1 Your actions should normally include:

- recording and back-up of documents including scanning and microfiche, and limiting access;
- an updated safety plan describing the measures in place to protect documents from unauthorised access as well as their deliberate destruction or loss;
- the filing and safe, secure storage of documents including responsibilities for their handling;
- dealing with incidents which compromise document security.

3.8.2 Your measures should consider

- testing your system against unauthorised access and recording the results;
- business continuity/disaster recovery plan;
- documented remedial action taken as a result of any actual incidents.

Section IV- Financial solvency

(Article 5a of the CCC, Article 14j of the CCIP, AEO Guidelines Part 2, point 2.3, Annex 2, point 3).

Solvency means a good financial standing which is sufficient to fulfil your commitments with due regard to the characteristics of your type of business activity and will be based on the last 3 years. If you have operated for less than 3 years, then your financial solvency will be judged on the basis of records and information that are available (see question 4.3). These records should only relate to the applicant making

the AEO application. Any known information that will affect your solvency in the foreseeable future should be given in question 4.4.

4.1 Please enter details of any insolvency, bankruptcy or liquidation proceedings taken against your company or company assets in the last three years.

4.2 The evidence or information required may concern also any contingent liabilities or provisions, the net current assets position or the net assets position and the extent of intangible assets.

In some circumstances it may be normal practice for a business to have negative net assets, for example when a company is set up by a parent company for research and development purposes when the liabilities may be funded by a loan from the parent or a financial institution. In these circumstances negative net assets may not be an indicator that a business is unable to pay their legal debts but customs authorities may require further evidence such as an undertaking from the lender, reference to the use of a guarantee from a parent company or a bank facilities letter to satisfy the requirement or, if you are a sole proprietor or partnership a list of any personal assets that are used to support the solvency of the business.

NB: To determine your financial solvency customs may require the submission of your annual accounts to be up to date. Customs authorities may need to inspect copies of your full sets of annual accounts or statements for the last 3 years during their visit. Customs authorities may also ask to see the most recent management accounts to establish the most up to date financial situation.

Section V- Security and Safety requirements

(Article 5a of the CCC, Article 14k of the CCIP, AEO Guidelines Part 2, point 2.4, Annex 2, point 4)

Note:

This section concerns the security & safety criterion for AEO. It should **only** be completed if you are applying for either an AEOS or AEOF. The self-assessment for this requirement shall comprise all the premises which are relevant to the customs related activities of the applicant.

You should demonstrate a high-level of awareness on security and safety measures, internally and in your business activities with clients, suppliers and external service providers, considering your role in the international supply chain.

You should not confuse this with health & safety requirements (please see AEO Guidelines).

We would normally expect any procedures referred to in this Section to be of a sufficient standard and detail to (a) clearly identify both the responsible person and their deputy (ies) and (b) to enable the deputy to act in the way designated by the responsible person.

All procedures should be documented and made available for customs authorities during the audit of the AEO criteria and will always be checked on site.

The documents you are required to produce, particularly at 5.1.1(a) & (b), should reflect:

- your role in the international supply chain
- the nature & size of your business; and
- the risks and threats to your business.

5.1 SELF ASSESSMENT

5.1.1 (a)

Customs authorities expect a documented risk and threat assessment to have been carried out by either you or a security company, if you use one. Failure to produce this assessment at their visit may result in an automatic recommendation that the application be rejected.

The risk and threat assessment shall cover all the premises which are relevant to your customs related activities. The purpose of the assessment is to identify the risks and threats which might occur in that part of the international supply chain in which you operate, and to look into the measures in place to minimise the risks and threats. It should cover all the risks related to the security of your role in the international supply chain and should include, for example:

- physical threats to premises and goods
- fiscal threats
- contractual arrangements for business partners in your supply chain.

Such an assessment should address the following:

- the goods in which you deal/trade
- specific management of air cargo/air mail if concerned (access, handling, storage, etc.)
- premises and buildings, for storage, manufacture etc.
- staff including recruitment, use of temporary staff, sub-contract labour
- transport of goods, loading and unloading
- computer system, accounting records and documents
- recently reported security incidents in any of the areas above.

You should also provide evidence of how often the document is reviewed and updated and procedures should include how to report incidents and the frequency of future reviews. Customs shall also seek evidence of how and when your procedures are communicated to both staff and visitors.

5.1.1 (b)

Failure to produce either a security plan or a risk and threat assessment at their visit may result in premature termination of the visit or rejection of the application.

A review programme should be in place for the security plan which should include records of amendments which are signed and dated by the responsible person.

5.1.2

You should include a description of at least the top five perceived risks you have identified. We will expect you to have assessed and included them within your risk and threat assessment, covering their likelihood, the consequences and any countermeasures. Examples of these could be:

- smuggling illicit goods
- contamination of products
- tampering with goods for export
- unauthorised access etc.

5.1.3

Describe briefly the process for setting up security measures, implementing, monitoring and reviewing them. You will need to identify the responsible person and his tasks. There should be one person at the appropriate level within the organisation with overall responsibility for all security measures and with the necessary authority to implement appropriate security measures when required. If not, indicated the various departments involved and the overall coordination and management.

If external security services are used the responsible person should manage the contract and ensure a proper service level agreement is in place that meets the AEO requirements as demonstrated by the questions in this Section.

The responsible person should be able to explain and have adequate procedures in place for drafting, reviewing and updating all security measures. This person would normally be responsible for preparing the documents required at question 5.1.1 (a) & (b).

We would expect the procedures to be sufficient to enable any person deputising for the responsible person both to accept responsibility and undertake the task required.

5.1.4

Although in many cases, security measures are likely to be site specific the governance procedures for setting-up, implementing, monitoring and reviewing the measures may be harmonised across all locations. Where measures are not harmonised this may increase the number of site visits carried out by the customs authorities.

5.1.5 (a) & (b)

You should have documented procedures in place to enable and encourage staff and visitors to report any security incidents, for example, unauthorised access, theft, use of unchecked personnel. This should include how this is to be done, to whom and where they are located. Your procedures should also detail how such incidents should be investigated, reported upon and by whom.

If you have answered “No”, please indicate how you intend to address this and indicate the time scale.

A “Yes” answer should be accompanied by your explanation as to how safety instructions are communicated to staff and should include details as to how you ensure your staff has seen them. You should also explain how security instructions are brought to the attention of your visitors.

See also question 5.2.2.

References to “Security” instructions should not be confused with any instructions required for health & safety reasons and made clear to visitors and staff.

5.1.6 (a) & (b)

This question relates to international supply chain security and not health & safety incidents.

For example:

- losses in warehouse
- broken seals
- damaged anti-tampering devices

If there have been any incidents we will expect your security and safety procedures to have been reviewed and amended to take on board any remedial action. Evidence will also be required of how these changes were subsequently communicated to your staff and visitors.

If following any review of your security & safety procedures, any amendments are made these should be recorded as a revision with a record of the date and the part(s) revised.

5.1.7 (a) & (b)

You should ensure you hold the original documentation, including the assessment report, if it is available, as this may be requested by customs authorities during the on-site visit. The relevant certification will be taken into account by the customs authorities when they prepare and conduct the audit.

For example:

- Regulated Agent (certificate and assessment report)
- Known Consignor (certificate and assessment report)
- TAPA (certificate and assessment report)
- ISO (certificate and quality manual)

5.1.8

Your answer should include for example details as to any hazardous chemicals, high value goods, or excise goods and explain whether these are on a regular or irregular basis.

For example:

- special packaging
- specific storage requirements

See also 5.5.1 (logistic processes).

5.1.9 (a) & (b)

Your answer should include the name and address of the company(s) and indicate how many years they have been employed by you as your security company and whether they provide any other services for you.

If the company has made a threat assessment, your reply should also confirm what if any risks identified have been incorporated within your risk and threat assessment covered by question 5.1.1 (a).

The documents should show the date(s) when the assessment was conducted and implementation of any recommendations made. The document should be made available during the visit.

5.1.10

Your reply should give an indication of the different customers/insurance company requirements and the goods affected by any special requirements e.g. particular packaging or storage requirements.

If you have a wide range of products and requirements it will be sufficient to summarise them. They will be examined in more detail during the visit.

5.2 ACCESS TO PREMISES

5.2.1 (a) & (b)

You should briefly describe the process making it clear where necessary if any site specific processes are involved. For a multi-site application it may be helpful to describe or provide an image of a general view of the sites. Your procedures should

document who has access to which areas, buildings, and rooms and how this is controlled, for example, by keypads or swipe cards. Access restrictions should take into account the risk and threat assessment at 5.1.1a.

Your systems should be capable of identifying attempts at unauthorised access and to monitor these.

Describe the system used to identify staff and distinguish from visitors, e.g. identity cards.

5.2.2 (a) & (b)

Your reply should confirm the details by reference to the risk and threat assessment described in 5.1.1 (a) & (b). You should include details of any cooperation with other security organisations/ law enforcement agencies who share knowledge of such matters.

Please also refer to your reply given at 5.1.5 and the explanatory notes contained there.

5.2.3

A site plan should be made available for the customs authorities. Whilst a plan is not mandatory any illustration will assist them in preparation for the audit and may reduce the time required during the on site(s) visit.

The plan could be or include a satellite/internet image of the site if available.

Any image or plan presented should contain the date when produced and be otherwise uniquely identifiable to form an audit trail for the AEO application.

5.2.4

You should pay particular attention to any companies on your site who are merely tenants rather than involved in making supplies to or for you. Tenants may pose special security issues and any arrangements covering for example their segregated entry and occupancy within your area should be briefly described.

Please also refer to 5.13.

5.3 PHYSICAL SECURITY

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letter a, of the CCIP, you should ensure that buildings used in connection with the operations to be covered by the certificate are constructed of materials which resist unlawful entry and provide protection against unlawful intrusion.

Buildings should be constructed of materials, which prevent unlawful entry and provide protection against unlawful intrusion. Appropriate access control measures should be in place to prevent unauthorised access to premises, manufacturing areas, shipping areas, loading bays, cargo areas and offices. Such measures will depend on the size and type of the business, the type of goods etc.

5.3.1 (a) (b) & (c)

This covers where you have visible external boundaries to your premises, for example, fences and gates. We would expect all external and internal windows, gates and fences to be secured with e.g. locking devices, alternative access monitoring or control measures such as internal/external anti burglar alarm systems or CCTV (Closed Circuit TV systems).

For questions (a) to (c) - details as to how compliance with these procedures are checked, the frequency of checks to buildings and any fences, the security incidents are reported and dealt with should be contained within the document required in answers 5.1.1.(a) or (b). Provide reference here to the appropriate paragraph, section or page (revision/date) of that document.

5.3.2 (a) & (b)

You should list all access points, preferably with reference to the site plan; include any fire escapes showing access stairways; distinguish between those accesses designed for cargo (un)loading those for utilities, counters for public access, drivers' rest areas; state where any security guard offices/guardhouse is located.

Your description of how these are observed should include, where appropriate the type of CCTV (e.g. static camera or pan tilt and zoom) how they are controlled and whether the image is used proactively or reactively.

In addition to external access controls you should also describe internal access controls, including, where appropriate, internal access within shared premises.

Confirm whether the premises operate 24/7 (e.g. shift working) or normal office hours.

5.3.3

If appropriate also include details of any back-up generators or devices in place to ensure constant lighting to cover when local power supply is interrupted and how this is maintained.

5.3.4

How keys are identified and what are the procedures in place to prevent misuse and deal with any loss.

Procedures should exist for only authorised personnel to have access to keys to locked buildings, sites, rooms, secure areas, filing cabinets, safe, vehicles and machinery.

Your procedures should also include:

- the specially appointed place where the keys are kept
- the person responsible for controlling the security of the keys
- the recording of when the keys are taken, by whom, why and their return
- dealing with losses, failures to return keys.

Provide details of any lock-up procedures and if appropriate who are the master key holders responsible for closing down the premises at night and re-opening on the next working day.

Provide details of other "key" devices as "radio keys" (used for example to remotely operate a car park barrier) in use and to whom they have been issued.

5.3.5 (a) (b) (c) & (d)

Your procedures should include:

- how you control/record visitors with private vehicles attending your premises
- how you control staff vehicles at your premises
- specially designated car park areas for visitors and staff which are not close to secure areas, for example, loading bays to avoid the possibility of theft, obstruction or interference
- checks that parking requirements are being adhered to.

(a) Explain whether visitors' cars are segregated from staff cars. You should include details of any other vehicles which have temporary access to the site(s) for example taxis or a staff bus.

(b) You should ensure that there are procedures in place to ensure the authorisation is regularly reviewed and updated to take into account changes of staff cars. Provide details if staff are issued with a parking permit and the mechanism for entering exiting the car park, for example a card swipe barrier.

(c) Describe any process or procedure employed for vehicle checking for example if barriers are manned during peak hours to control tail-gating and ensure proper control of all vehicles.

(d) Describe any written regulations covering car parking and how these are communicated to the staff. Confirm whether such regulations have been included in the security assessment.

5.4 Cargo Units

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letter c, of the CCIP, measures for the handling of goods include protection against the introduction, exchange or loss of any material and tampering with cargo units should be put in place.

Cargo units include containers, tankers, vans, lorries, vehicles, pipelines and so on in which your goods are transported. Procedures should be in place to examine the integrity of the cargo unit before loading. Details of the owners/suppliers of the cargo units must be made available during the visit.

5.4.1

The integrity of cargo units should be ensured, for example, by placing them under permanent monitoring or keeping them in a safe, locked area or by inspection prior to use. Only properly identified and authorised persons should have access to the cargo units. Your procedures should include:

- how access to the area where the cargo units are held is controlled (e.g. staff, external truck drivers, etc.)
- that only authorised persons have access
- how monitoring of the units is maintained at all times, for example, nominated responsible staff and deputies.

5.4.2

Your procedures should include:

- who is the responsible person to whom incidents are reported
- how incidents are reported and recorded
- what action should be taken, including reporting to law enforcement/senior management
- review and amending of existing procedures
- notification of any changes to staff.

Customs authorities would expect to see evidence of these checks during the visit.

5.4.3 (a) & (b)

Describe the type of seals used and any standards satisfied by the particular seals used. Provide the name of the manufacturer, the procedure for issuing seals and for recording their issue, usage and removal.

Document the procedures for dealing with broken and tampered seals.

5.4.4

Depending on the cargo unit used, a seven-point inspection process should be carried out (to include the tractor unit as well):

- front wall
- left side
- right side
- floor
- ceiling/roof
- inside/outside doors
- outside/undercarriage.

5.4.5 (a) (b) & (c)

Maintenance should be done routinely not just in cases of damage or incidents. If the maintenance is done externally or outside the supervision of your staff, the cargo unit's integrity should be inspected when returning to your premises. Your procedures should include:

- the requirements for your staff to check the integrity of the units on their return
- what checks are to be performed, when and by whom
- how your procedures are communicated to staff
- management checks and their frequency to ensure units are re-examined.

Explain whether you routinely check all cargo units both before accepting any incoming load and before loading goods for despatch and whether you have inserted procedures within the documents referred to in 5.1.1 (a) (b).

5.5 LOGISTICAL PROCESS

5.5.1 (a) (b) (c) & (d)

This covers the movement of your imported and/or exported goods between your premises and the frontier, across the EU and within different sets of premises.

You should list all modes of transport used starting or ending within your premises and entering the international supply chain. Indicate the mode of transport used.

If you use external service providers, please also refer to 5.13 (External services).

5.6 NON FISCAL REQUIREMENTS

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letter d, of the CCIP, where applicable, procedures should be put in place for the handling of import and/or export licenses connected to prohibitions and restrictions and to distinguish these goods from other goods.

5.6.1 (a) & (b)

This section supplements 3.5.3 and covers non fiscal requirements.

Document the process and procedures for identifying who is responsible for ensuring licences are in place and action required when missing.

Describe any additional security measures you may need to have in place to cover dual-use goods.

5.7 INCOMING GOODS

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letter b, of the CCIP, appropriate access control measures should be put in place to prevent unauthorised access to shipping areas, loading docks and cargo areas.

5.7.1 (a) & (b)

These procedures should start from the point of placing an order through to delivery for the international supply chain.

Documented procedures should show the flow of goods and related documents and include other parties involved such as suppliers, packers, hauliers etc.

5.7.2

When there are existing arrangements on security measures with domestic and/or EU and non-EU suppliers, staff should be made aware of these arrangements and procedures established to verify the commitment to them. You should describe the process whereby employees are informed about security, the frequency of any retraining and consider the evidence required to demonstrate this to the visiting officer and for any AEO review.

Your procedures should also include:

- appointing staff responsible for receiving the driver and the goods at arrival
- maintaining a schedule of expected arrivals
- dealing with unexpected arrivals
- recording the transport documents and customs papers accompanying the goods
- comparing the goods with the accompanying transport documents and customs papers
- checking the integrity of any seals
- recording the completion and results of any checks
- informing customs authorities as required on arrival of the goods to enable them to perform the necessary controls
- weighing/counting and tallying the goods against the picking list/purchase order
- testing quality
- the goods are adequately marked before going into stock to enable identification
- identification and reporting of discrepancies or quality control failures
- informing the purchase department and the administration of the receipt of goods.

For example, this may depend on if you are dealing in high value/risk goods. Arrangements may be that the goods:

- must arrive in the same condition they left the supplier
- be sealed at all times
- have not breached any security or safety requirements.

Your procedures should include:

- communicating such arrangements to staff responsible for receiving incoming goods so that they are aware of what to do in particular if an irregularity is discovered
- reviewing and updating these procedures on a regular basis

- management/supervisory checks to ensure staff are following these requirements.

5.7.3 (a) and (b)

On arrival of the sealed cargo unit measures should be in place to ensure correct treatment of the seal. These could include a visual inspection to ensure a) that the seal is actually intact and b) there is no evidence of tampering. Once satisfied from a visual inspection the authorised person could then proceed to physically test the seal by suitable pressure applied to ensure it is still intact.

5.7.3 (c)

In case your company is dealing with specific types of goods requiring specific security measures (e.g. air cargo/air mail) your procedures should include how you apply them/check their application. For example, in case you are regulated agent whether and how you check the haulier declaration and the identity of the haulier for the transportation of secure air cargo/air mail from a know consignor.

5.7.4

No note required

5.7.5

Depending on the nature of the goods in which you deal counting, weighing or quantification may not be appropriate. An alternative method for accounting for incoming goods should be described and how compliance is evidenced.

5.7.6

Your procedures should include:

- how and on the basis of which documents, when and by whom are the goods received entered in the stock records
- checking the goods against loading lists and purchase orders
- recording the goods in the stock record, as soon as possible after their arrival.

5.7.7 (a) & (b)

There should be a segregation of duties between the ordering of the goods (purchase), receipt (warehouse), the entering of the goods in the system (administration) and the payment of the invoice. This will depend upon the size and complexity of the business.

5.8 STORAGE OF GOODS

This sub-section only covers the storage of goods that are part of an international supply chain.

5.8.1, 5.8.2, 5.8.3, 5.8.4 & 5.8.5

Your procedures should include:

- a designated area for storage of the goods which is both safe and secure and clearly known to controlling staff
- storage area only accessible to authorised staff
- regular stock takes
- controlling incoming goods, transfers to other premises, permanent and temporary removals
- action to be taken if irregularities, discrepancies, losses or theft are identified
- handling and processing of goods and their return to stock

- separation of different types of goods, where appropriate, for example, community, nonCommunity, high value, hazardous, air cargo/air mail
- maintaining and updating stock records promptly including the location of the goods
- addressing all aspects of physical security of the storage facility.

Standards of security will depend on the type of goods, size and complexity of the business which could range from a single room in a block of offices to a large multi-sited business operating in several MS.

5.8.6

In case of subcontracting, please indicate the company (ies) in charge of the storage.

5.9 PRODUCTION OF GOODS

This sub-section only covers the production of goods that form part of an international supply chain.

Only complete questions 5.9.1 – 5.9.4 if it is appropriate to your business. Production in this context can include a range of activities such as manufacturing from raw materials through to assembly from bought in parts.

5.9.1 (a) & (b)

Include within your description whether staff working within the production area are permanent employees of the business or temporary staff. Describe the location of the production within your premises and if possible, indicate its location on a copy of the site plan. Please also refer to notes 5.2.3.

5.9.2

Support your answer by reference as appropriate to the risk and threat assessment described at question 5.1.1 (a) & (b). Any compliance checking should be supported by suitable evidence which is signed and dated.

5.9.3

Include any reference to technological aids to packing integrity (e.g. weight checked or CCTV surveillance etc). Also describe any securing process both of the individual packages and how the packages are consolidated, for example palletized. Provide details as to the point at which the consignee (address/country) is known and how this knowledge is controlled.

5.9.4

Your description should include reference to any contractual and or service level agreements with the third party. The customs authorities will wish to see these. This also includes where packages may be consolidated.

5.10 LOADING OF GOODS

5.10.1 (a) & (b) and 5.10.2 (a) (b) & (c)

Personnel should be assigned to supervise the loading of goods to prevent goods being loaded unsupervised or left behind. Your procedures should include:

- appointing staff responsible for receiving the driver and the loading of the goods
- assigned staff are present at all times
- procedure if assigned staff not available, for example, appointment of deputies
- loading only taking place in the presence of authorised staff
- weighing, counting, tallying and marking of goods
- dealing with discrepancies/irregularities
- the application of seals and recording on documents/records, ensuring that seals have been used for appropriate goods, meet laid down standards and applied in accordance with legal requirements
- recording the transport and customs documents accompanying the goods in your records
- comparing the goods with the accompanying transport and customs documents
- recording the completion and results of the checks
- informing customs authorities as required on departure of the goods to enable them to perform the necessary controls
- informing the selling department/administration on the departure of goods
- how (on the basis of which documents), when and by whom are the goods loaded recorded in the stock records
- checking the goods against loading lists and selling orders
- recording the goods out of the stock, as soon as possible after departure of the goods
- acknowledging receipt of the goods and any irregularities by your customers
- proof of export where appropriate.

5.10.3

This will only apply if your customers have agreed specific requirements with you, for example, all goods must be sealed, packed and labelled in a certain way for X-ray requirements. If so, staff should be made aware of these arrangements and your procedures should include management/supervisory checks to ensure staff are following these requirements. These procedures should be reviewed and updated on a regular basis.

See also 5.1.10 answer.

5.10.7

Evidence to support this section should be referenced to the appropriate area in the risk and threat assessment described at Q5.1.1. (a) & (b).

Irregularities may include customer returns, unauthorised drivers, broken anti-tampering devices, etc.

5.11 SECURITY REQUIREMENTS FOR BUSINESS PARTNERS

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letter (e) of the CCIP, you should have implemented measures allowing a clear identification of your business partners in order to secure the international supply chain.

Business Partners can be suppliers (of goods or services) or customers.

5.11.1 (a) & (b)

You will only be held responsible for your part of the international supply chain, and for the goods which are under your control. Only through contractual arrangements between business partners can the security of the international supply chain be ensured.

Requirements for your suppliers could include for example that all goods must be marked, sealed, packed, labelled in a certain way, subject to X-ray checks etc and they keep to any laid down international standards.

Where such requirements exist, your procedures should include:

- where possible, regular visits to the supplier's business premises to verify requirements are being adhered to
- communicating these arrangements to your staff to check compliance on arrival of the goods
- arrangements for staff to report irregularities/incidents
- management/supervisory checks to ensure staff are following these requirements
- remedial action taken as a result of any identified breaches of these arrangements
- review and update of procedures on a regular basis.

Customs authorities would expect to see whatever documentary evidence you have in support of the reply provided. Such documents would include your record of checks applied. These should be made available for inspection during the visit.

5.11.2

Your answer would be expected to be supported by documentary evidence. Customs authorities would expect to see whatever documentary evidence you have in support of the reply provided. Such documents would include your record of checks applied. These should be made available for inspection during the visit.

5.11.3

Your answer would be expected to be supported by documentary evidence. Customs authorities would expect to see whatever documentary evidence you have in support of the reply provided. Such documents would include your record of checks applied. These should be made available for inspection during the visit.

Customs authorities would expect that any such breaches would be reflected in the documents identified at 5.1.1 (a) & (b) together with a suitable revision and additional countermeasure(s).

5.12 PERSONNEL SECURITY

In order to comply with the criterion mentioned in Article 14 k, paragraph 1, letters f and g, of the CCIP, you should:

- a) have conducted, in so far as legislation permits, security screening on prospective employees working in security sensitive positions and carry out periodic background checks;
- b) ensure that staff concerned actively participate in security awareness programmes.

5.12.1 (a) (b) (c)

Your employment policy should reflect your security requirements based on your risk assessment. Your procedures should include:

- performing background checks on your new and existing employees who will be working in or moving to security sensitive positions
- seeking and taking up references on recruitment
- identifying critical security posts and carrying out necessary checks to include both spent and unspent convictions
- requirement by staff to notify their manager of police cautions/bail, pending court proceedings, convictions
- removal of computer access, return of security pass when staff leave or are dismissed
- disclosure by staff of any other employment.

Any compliance checking should be properly evidenced by initial and date on a suitable record of checks applied.

5.12.2 (a) & (b)

Procedures should be in place within the documents referred to in 5.1.1. (a) & (b). These should cover how prospective new employees are checked before offering employment; the process of induction and training which should include the company's security instructions. All new staff should sign to indicate their understanding of the issues. Procedures should also cover what measures are taken in case existing employees are transferred to security sensitive areas.

5.12.3 (a) (b) (c) & (d)

All staff should receive appropriate training with regard to security and safety requirements, such as security protocols, detection of intrusion/tampering and reporting of incidents and the risks associated to the international supply chains. A unit or a group of persons (internal or external) should be responsible for providing training to the staff. Training should be updated if there are changes and a record made of all training activity should be maintained.

For any external supplier a suitable Service Level Agreement should be obtained. Please also refer to 5.13.1.

5.12.4 (a) & (b)

The company should have security requirements in place regarding the use of temporary personnel. Your procedures should include:

- contracts with employment agencies detailing levels of security checks to be performed on staff prior to and after appointment
- use of only known agencies who meet requirements
- similar security standards for both temporary and permanent staff (see note 5.12.1).

You must make available all such contracts during the visit.

Customs authorities would expect all temporary staff to have been checked to the same standard as permanent staff. As it is common for such staff to be procured by an external temporary staff agency, such agencies should be subject to service level agreements (see also 5.13) and procedures should exist to ensure standards provided for in these agreements are maintained by the company and evidenced within your records.

5.13 EXTERNAL SERVICES

If services are outsourced, for example, transportation, security guards, cleaning and maintenance, security demands should be incorporated into the contractual arrangements made with the external contractors.

5.13.1 (a) (b) and (c)

For questions (a) to (b) - you should have ready for the visit of the customs authorities all contracts and service level agreements covering identity checks on employees and other matters with all such external services. Please provide a list of all companies and indicate the services they provide during the visit.

For question (c) - describe how you monitor the contract, handle any irregularities and review the procedures. Support your answer by reference, as appropriate, to the risk and threat assessment described at Q5.1.1 (a) & (b). Any compliance checks should be supported by suitable evidence which is signed and dated.

1.1.7.	Description of the company's internal organisational structure and the tasks/ responsibilities of each department	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.1.8.	Names of senior management	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.1.9.	Number of employees	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.1.10	Names and the position of persons within your company who have specific customs expertise	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.1.11	Consent for data exchange according to Art. 14x paragraph 4 CCIP	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.1.12	Consent for data exchange for mutual recognition	SF	SF	SF	SF	SF	SF	SF
1.1.13	Transliteration	SF	SF	SF	SF	SF	SF	SF
		Manufacturer	Exporter	Freight Forwarder	Warehouse keeper	Customs broker	Carrier	Importer
1.2.	Volume of business							
1.2.1.	Annual turnover figure - profit or loss	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.2.2.	Storage facility	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.2.3.	Number and value of the customs declarations	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.2.4.	Amount of duty	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.2.5.	Foreseen structural changes in your company	CSF	CSF	CSF	CSF	CSF	CSF	CSF
1.3.	Statistics on customs matters(Annex 2, point 2.6)							
1.3.1.	Representation in customs matters		CSF			CSF		CSF

1.3.2.	Tariff classification of goods	CSF*	CSF			CSF		CSF
1.3.3.	Establishment of customs value	CSF*	CSF*			CSF		CSF
1.3.4.	Origin of goods	CSF*	CSF			CSF		CSF
1.3.5.	Anti-dumping duties or countervailing duties	CSF*				CSF		CSF
2	Compliance record (AEO Guidelines, Part 2, point 2.1; Annex 2, point 1)							
2.1.	Detected breaches of customs rules	CSF	CSF	CSF	CSF	CSF	CSF	CSF
2.2.	Refusal/revocation of authorisations and applications	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3	The applicant's accounting and logistical system(AEO Guidelines, Part 2, point 2.2; Annex 2, point 2)							
3.1.	Audit trail (Annex 2, point 2.2)							
3.1.1.	Essential features of audit trail	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.2.	Accounting system (Annex 2, point 2.1)							
3.2.1.	IT-equipment	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.2.2.	Differentiation between Community-/non-Community goods	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.2.3.	Location of computer activities	CSF	CSF	CSF	CSF	CSF	CSF	CSF
		Manufacturer	Exporter	Freight Forwarder	Warehouse keeper	Customs broker	Carrier	Importer
3.3.	Internal control system (Annex 2,							

	point 2.4)							
3.3.1.	Internal control procedures	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.3.2.	Audit of internal control procedures	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.3.3.	Checking of computer files	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.4.	Flow of goods (Annex 2, point 2.5)							
3.4.1.	Registration process	CSF	CSF		CSF			CSF
3.4.2.	Checking stock levels	CSF	CSF		CSF			CSF
3.5.	Customs routines (Annex 2, point 2.6)							
3.5.1.	Verification of customs declarations	CSF*	CSF*	CSF*	CSF*	CSF*	CSF	CSF*
3.5.2.	Notification of irregularities	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.5.3.	Economic trade licences	CSF*	CSF*	CSF*	CSF*	CSF*	CSF	CSF*
3.6.	Procedures for back-up, recovery and fall back and archiving (Annex 2, point 2.7)							
3.6.1.	Back-up and archiving of data	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.6.2.	Duration of archiving	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.6.3.	Contingency plan	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.7.	Protection of computer systems(Annex 2, point 2.8))							
3.7.1.	Protection from unauthorised intrusion	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.7.2.	Administration of access rights	CSF	CSF	CSF	CSF	CSF	CSF	CSF

3.7.3.	Main server	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.8.	Documentation security (Annex 2, point 2.9)							
3.8.1.	Protection of documents from unauthorised access	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.8.2.	Cases of unauthorised access	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.8.3.	Access for different categories of employees	CSF	CSF	CSF	CSF	CSF	CSF	CSF
3.8.4.	Security & safety requirements for third parties	CSF	CSF	CSF	CSF	CSF	CSF	CSF
		Manufacturer	Exporter	Freight Forwarder	Warehouse keeper	Customs broker	Carrier	Importer
4	Financial solvency(AEO Guidelines, Part 2,point 2.3; Annex 2, point 3)							
4.1.	Insolvency proceedings	CSF	CSF	CSF	CSF	CSF	CSF	CSF
4.2.	Financial standing	CSF	CSF	CSF	CSF	CSF	CSF	CSF
4.3.	Newly established business	CSF	CSF	CSF	CSF	CSF	CSF	CSF
4.4.	Financial solvency in the foreseeable future	CSF	CSF	CSF	CSF	CSF	CSF	CSF
5	Safety and security requirements (AEO Guidelines, Part 2,point 2.4; Annex 2, point 4)							
5.1.	Self-assessment(Annex 2, point 4.1)							
5.1.1.	Risk and threat assessment	SF	SF	SF	SF	SF	SF	SF
5.1.2.	Security risks	SF	SF	SF	SF	SF	SF	SF
5.1.3.	Implementation of security measures	SF	SF	SF	SF	SF	SF	SF

5.1.4.	Harmonisation of security measures	SF						
5.1.5.	Security instructions	SF						
5.1.6.	Security incidents	SF						
5.1.7.	Certification for security purposes by another public agency or authority	SF						
5.1.8.	Particular security and safety requirements for the goods	SF						
5.1.9.	Threat assessment by third parties	SF						
5.1.10	Safety and security requirements imposed by third parties	SF						
5.2.	Access to premises (Annex 2, point 4.2)							
5.2.1.	Access controls	SF						
5.2.2.	Procedures in case of unauthorised intrusion	SF						
5.2.3.	Site plans of locations	SF						
5.2.4.	Companies located at the premises	SF						
5.3.	Physical security (Annex 2, point 4.3)							
5.3.1.	Safety of external boundaries of your company's premises	SF						
5.3.2.	Access possibilities	SF						
5.3.3.	Illumination	SF						
5.3.4.	Access to keys	SF						
5.3.5.	Parking of private vehicles	SF						

		Manufacturer	Exporter	Freight Forwarder	Warehouse keeper	Customs broker	Carrier	Importer
5.4.	Cargo units (as containers, swap bodies, transport boxes)(Annex 2, point 4.4)							
5.4.1.	Rules for access to cargo units	SF	SF	SF	SF	SF	SF	SF
5.4.2.	Measures to ensure the integrity of cargo units	SF	SF	SF	SF	SF	SF	SF
5.4.3.	Use of seals	SF	SF	SF	SF	SF	SF	SF
5.4.4.	Measures used for checking cargo units	SF	SF	SF	SF	SF	SF	SF
5.4.5.	Owner/operator and maintenance of cargo units	SF	SF	SF	SF	SF	SF	SF
5.5.	Logistical processes(Annex 2, point 4.5)							
5.5.1.	Means of transport	SF	SF	SF	SF	SF	SF	SF
5.6.	Non-fiscal requirements (Annex 2, point 4.6)							
5.6.1.	Non-fiscal aspects	SF	SF	SF	SF	SF	SF	SF
5.7.	Incoming goods (Annex 2, point 4.7)							
5.7.1.	Procedure for checking of incoming goods	SF	SF	SF	SF	SF	SF	SF
5.7.2.	Security arrangements with suppliers	SF	SF	SF	SF	SF	SF	SF
5.7.3.	Checks on the integrity of the seals	SF	SF	SF	SF	SF	SF	SF
5.7.4.	Uniform marking of goods	SF	SF	SF	SF	SF	SF	SF
5.7.5.	Weighing and counting of goods	SF	SF	SF	SF	SF	SF	SF
5.7.6.	Procedure for the receipt of goods	SF	SF	SF	SF	SF	SF	SF
5.7.7.	Internal control procedures	SF	SF	SF	SF	SF	SF	SF

5.8.	Storage of goods (Annex 2, point.4.8)							
5.8.1.	Areas for the storage of goods	SF	SF	SF*	SF	SF	SF	SF*
5.8.2.	Allocation of a storage position	SF	SF	SF*	SF	SF	SF	SF*
5.8.3.	Internal control procedures	SF	SF	SF*	SF	SF	SF	SF*
5.8.4.	Separate storage of different kinds of goods	SF	SF	SF*	SF	SF	SF	SF*
5.8.5.	Protection against unauthorised access	SF	SF	SF*	SF	SF	SF	SF*
5.8.6.	Control measures in case of outsourced storage	SF	SF	SF*	SF	SF	SF	SF*
5.9.	Production of goods (Annex 2, point 4.9)							
5.9.1.	Designation of production areas	SF						
5.9.2.	Security measures for access to the production zone	SF						
5.9.3.	Packing of products	SF	SF*					
5.9.4.	Packing by third parties	SF	SF*					
		Manufacturer	Exporter	Freight Forwarder	Warehouse keeper	Customs broker	Carrier	Importer
5.10.	Loading of goods (Annex 2, point 4.10)							
5.10.1.	Management of loading	SF	SF	SF	SF	SF	SF	
5.10.2.	Sealing of outgoing goods	SF	SF	SF	SF	SF	SF	
5.10.3.	Customers' security requirements	SF	SF	SF	SF	SF	SF	SF
5.10.4.	Supervision of loading of goods	SF	SF	SF	SF	SF	SF	SF
5.10.5.	Weighing and counting of goods	SF	SF	SF	SF	SF	SF	SF
5.10.6.	Procedure for the loading of goods	SF	SF	SF	SF	SF	SF	SF

5.10.7.	Control measures	SF						
5.11.	Security requirements for business partners(Annex 2, point 4.11)							
5.11.1.	Security and safety requirements for business partners	SF						
5.11.2.	Verification of business partners	SF						
5.11.3.	Breaches of security agreements	SF						
5.12.	Personnel security(Annex 2, point 4.12)							
5.12.1	Security and safety requirements in the employment policy	SF						
5.12.2	Security checks on employees	SF						
5.12.3	Security and safety training	SF						
5.12.4	Security requirements in case of temporary employees	SF						
5.13.	External Services(Annex 2, point 4.13)							
5.13.1	Use of external services	SF						

* Where appropriate