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ANNEX III



**COMESA Regional AEO Programme
Implementation Guideline**

[DRAFT]

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ABBREVIATIONS

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| | |
| AEO | Authorised Economic Operator |
| AEO-D | AEO Diamond Level |
| AEO-G | AEO Gold Level |
| AEO-S | AEO Silver Level |
| COMESA | Common Market for Eastern and Southern Africa |
| CBRAs | Cross Border Regulatory Agencies |
| CMR | Customs Management Regulation |
| MOU | Memorandum of Understanding |
| MRA | Mutual Recognition Agreement |
| PCA | Post Clearance Audit |
| SAFE Framework | WCO SAFE Framework of Standards to Secure and Facilitate Global Trade |
| SAQ | Self-Assessment Questionnaire |
| TFA | Trade Facilitation Agreement |
| WCO | World Customs Organisation |
| WTO | World Trade Organisation |
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DEFINITIONS

AEO (AUTHORIZED ECONOMIC OPERATOR) is a party or entity involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with criteria and standards specified in the COMESA CMR and the Guideline. AEOs may include manufacturers, importers, exporters, Clearing Agents/brokers, carriers, consolidators, intermediaries, port and airport authorities, terminal operators, integrated operators, warehouses, distributors and freight forwarders.

AEO Division is the single point of contact/liaison unit at each Customs administration that is responsible for managing the AEO Programme. Particularly, to decide about the acceptance of the application, communication with the other Member State, monitoring of the AEO authorisation and the overall AEO policy;

Applicant – refers to an Economic Operator who applies to customs for AEO Authorisation in accordance to the CMR and the Guideline.

Approval committee refers to a committee composed of senior officers from the customs authorities of the Member States that is charged with the responsibility of approving the AEO validations after the validation committee.

Authorization: recognition or accreditation of AEO status in an AEO programme, based on a structured methodology that includes such processes as review of an applicant's submitted documentation, physical worksite assets and security processes, in order to determine compliance with criteria and standards specified in the COMESA CMR and the AEO Procedures Guideline.

Common Market means the Common Market as defined by Article 2 of the Treaty;

'Competent Authority' means a person, body or organization designated by a Member State to administer, manage and control in part or in full the provisions of the regulations related to Customs and border formalities including the AEO Programme;

Guideline is the COMESA Regional AEO Programme Implementation Guideline

Self-management of bonded warehouse is a facility extended to a warehousing operator where the responsibilities of a Customs Officer are delegated to the bonded warehouse operator.

Transporter is the person actually transporting the goods or who has undertaken a contract, and issued e.g. a bill of lading or air waybill, for the actual carriage of the goods. For the purpose of the regional AEO programme, transporters under all modes of transport are eligible to apply for an authorisation.

Validation is a procedure whereby the supply chain of an AEO, and all relevant processes employed by them to reach that status, are subject to full and transparent review by a Customs administration and/or a Customs-designated third-party validator, which may have been specifically deployed by Customs to assist in the actual validation efforts.

Validation committee is a committee composed of technical officers from key functions of the customs clearance process at each national customs administration that is charged with the responsibility of validating/vetting and reassessment of all applications and authorisations and submitting their findings to the approval committee for consideration.

1. INTRODUCTION

The Authorized Economic Operator (AEO) programme is widely acknowledged in the WCO SAFE FRAMEWORK as a key driver for a solid Customs-Business Partnership; secure, transparent and predictable trading environment; and in a wider context, enhanced economic prosperity. The WCO SAFE Framework was adopted by the Directors General of Customs representing the members of the WCO at the June 2005 annual Council Sessions in Brussels. In June 2015, the WCO Council adopted the updated edition of the SAFE Framework 2015.

The COMESA Customs Management Regulations (CMR) stipulates for the need of AEO in line with the Revised Kyoto Convention (RKC) and the WCO SAFE Framework. Under the CMR, Regulation 39 (1) (b-d)), the Member States agreed that Customs authorities, if necessary, following consultation with other competent authorities to grant, subject to the criteria the status of AEO to any economic operator established in the customs territory. The AEO has the right to benefit from facilitation with regard to customs controls relating to security and safety and from simplifications provided for under the customs rules.

According to the CMR, the status of AEO shall be recognised by the customs authorities in all Member States without prejudice to customs controls. The customs authorities shall, on the basis of the recognition of the status of AEO and provided that the requirements relating to a specific type of simplification provided for in the Common Market Regulations are fulfilled, authorise the operator to benefit from that simplification.

On the status of implementation, it is noted that Twelve (12) Member States have implemented recognition of AEOs. Namely; Burundi, Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. While Other Member States (such as Seychelles, DR Congo, and Malawi) are on process of implementing. It is encouraging progress that most of the Member States are implementing in line with the spirit of the COMESA CMR and the international standards including the WTO Trade Facilitation Agreement as well as the WCO Guidelines.

However, the latest assessment study done by the Secretariat in 2017 indicates that the implementation criteria and benefits varies from country to country. It is found that even the names of the simplified programme, selection criteria, the scope of the sectors and the benefits that accruing to the AEO seem differ from country to country. For instance, among the Member States, while most of the Member states adopted as AEO, Zambia uses the **Customs Accredited Client programme (CACP)**. On other hand, the programme in Madagascar is named as **Accelerated Clearance Programme (PAD)** where as in Sudan it is called as the "Golden List".

It is against the above background, the 37th COMESA Council of Ministers meeting recommended, among others, the development of harmonised criteria for granting the status of AEO in line with the CMR and WCO guidelines so that the AEOs who are authorized in one Member State can get a similar simplified and rapid customs and other facilitation services and contribute their supply chain security in the other Member State.

Based on the above-mentioned council decisions, this Guideline has been prepared by the Secretariat to facilitate the implementation of harmonised and standardised AEO Programme across the region and Mutual Recognition Arrangements/Agreements (MRAs) throughout the region and facilitate and secure the intra-regional trade as well as enhance competitiveness of the private sector to access market beyond the region.

1.1. Objective of this Guideline

The main objective of this guideline is to develop regionally harmonised procedures and criteria for

granting the status of AEO in line with the CMR, WCO guidelines and WTO TFA, and to facilitate the implementation of harmonised and standardised common AEO Programme and MRAs throughout the COMESA region. The common AEO Programme would not only reduce the number of MRAs required among the Member States but also introduce a greater degree of uniformity in the application of the AEO concept and associated SAFE Framework initiatives.

1.2. Scope of the Guideline

This Guideline describes standards and procedures for implementing the COMESA Regional AEO Programme and MRA including: categories of status of AEO; certain list of benefits that can be granted to the AEO; harmonised eligibility/selection criteria for granting the status of AEO to the applicant economic operators; application and authorization process as well as post-authorization management process as envisaged in the CMR and in line with the WCO SAFE Framework and WTO TFA.

2. LEGAL BASIS FOR AEO PROGRAMME

2.1. International legal provisions and standards:

WCO SAFE Framework Package

In response to the increment of the volume of international trade, increase of risks/threats associated to international supply chain, limited resources envelope and the need to facilitate legitimate trade and reward compliance, a new concept of WCO SAFE framework was launched in 2005 by WCO which was later updated in 2007, 2010, 2015, and 2018.

The SAFE Framework seeks to reduce complexity and country unique requirements by establishing a common set of supply chain security and customs standards. This is an important driver for a strong Customs-Business Partnership; secure, transparent and predictable trading environment; and in a wider context, enhanced economic prosperity.

The WCO AEO Compendium incorporated in the *WCO SAFE Framework Package* contains tools to assist in establishing and administering AEO Programmes. The Compendium contains concise, concrete and structured overview of the current AEO programmes and MRAs implemented by WCO Members, so that all interested persons can use it as a reference to existing practice on national, regional and global levels. While under the SAFE Framework of Standards, a single definition for a SAFE AEO programme is provided, there is currently no definition of Customs compliance programmes. However, there are a number of trusted trader related programmes that are contained within various international instruments, and being implemented by Customs administrations.

The AEO Compendium makes a clear differentiation between the SAFE AEO programme, Compliance programme (*similar to the Authorized Person concept in the RKC Standard 3.32*) and the WTO TFA Authorised Operator scheme.

Transitional Standard 3.32 of the RKC refers to the concept of "authorized persons" who must have "an appropriate record of compliance with Customs requirements and a satisfactory system for managing their commercial records". The main difference between the SAFE AEO Programme and a Compliance programme lies in the fact that security requirements such as those prescribed in Annex IV of the SAFE 2015 are not specifically included in a Compliance programme. Also, unlike the SAFE AEO programme, Compliance programme may not have common specified criteria and standards. As a consequence, bilateral/plurilateral/regional mutual recognition of such programmes could be a challenge.

Mutual Recognition Arrangements/Agreements (MRA)

Under the WCO's SAFE Framework Customs administrations are encouraged to develop partnerships with business and between each other to secure and facilitate trade. It calls upon Customs administrations to work with each other to develop mechanisms for mutual recognition of AEO authorizations and validations, mutual recognition of Customs security control standards and control results and other mechanisms that may be needed to eliminate or reduce redundant or duplicative efforts.

Mutual Recognition is a broad concept embodied within the WCO SAFE Framework whereby an action or decision taken or an authorization that has been properly granted by one Customs administration, is recognized and accepted by another Customs administration. The document that formalizes this action or decision has generally been termed a "Mutual Recognition Arrangement/Agreement" (MRA).

The objective of Mutual Recognition of AEO is that Customs administration recognizes the validation findings and AEO authorizations of the other Customs administration issued under the other programme and agrees to provide substantial, comparable and – where possible – reciprocal benefits/facilitation to the mutually recognized AEOs. This recognition is generally premised on the existence or creation of both relevant legislation and operational compatibility of both or more programmes.

Mutual recognition of AEO programmes may ultimately lead to the globalization of supply chain security and compliance standards and is therefore of great importance for those companies seeking true global supply chain security and compliance benefits.

WTO Agreement on Trade Facilitation (TFA):

Article 7.7 of the WTO TFA incorporates Trade Facilitation Measures for Authorized Operators (AOs). AOs in this context are specified traders who comply with certain criteria and can therefore benefit from additional trade facilitation measures.

The criteria shall be related to compliance or the risk of non-compliance. They may include an appropriate record of compliance with customs and other related regulations, a system of managing records for necessary internal control, financial solvency and supply chain security. It is important to notice that none of these criteria are mandatory. An AO scheme may therefore include only some of them.

If the specified criteria are fulfilled, AOs shall benefit from at least three of the following trade facilitation measures: low documentary and data requirements, low rate of physical inspections, rapid release time, deferred payment of duties /taxes, use of comprehensive guarantees or reduced guarantees, periodic customs declaration, clearance of goods at the premises of the AO or another place authorized by Customs.

It is imperative to differentiate between AOs as stipulated in the WTO TFA and AEOs as defined in the WCO SAFE Framework of Standards. The focus in the AO scheme is on trade compliance; supply chain security may be one of the components. AEOs on the other hand must always - but not exclusively - comply with a range of security standards to ensure supply chain security.

Another difference is that the SAFE AEO programme is based on global standards for launching and maintaining the AEO status (provided in Pillar 2 of the WCO SAFE Framework of Standards) while WTO AO scheme is apparently non-standardised and could vary from one Member to another depending upon the criteria and the thrust specified by Members. In such a scenario, mutual recognition of AOs could be a challenging task.

Para 7.4 of Article 7.7 of the WTO TFA encourages Members to develop AO schemes on the

basis of international standards. The RKC and its guidelines and the SAFE Framework of Standards provide such standards. Given that the WTO TFA mentions all four criteria (even if non binding) for Authorized Operator scheme, it may be appropriate to use the AEO criteria/requirements as in the SAFE as a standard to develop Authorised Operator scheme under the WTO TFA. Using the AEO criteria as a standard to implement Article 7.7 of the WTO TFA will assist in ensuring a harmonized approach and in enabling those that go for it to achieve seamless mutual recognition at bilateral, sub-regional, regional and, global levels.

2.2. Regional Legal Provisions:

The COMESA AEO programme derives its mandate from the provisions for Approval of Authorised Economic Operators under the CMR Regulation 39.

The COMESA Customs Management Regulations (CMR) stipulates for the need of AEO in line with the RKC and the WCO SAFE Frameworks. Under the CMR, Regulation 39, the Member States agreed that:

- (1) (a) Competent [Customs] authorities, if necessary, following consultations with other competent authorities, shall grant, subject to the criteria provided for in paragraph (d) below, the status of "authorised economic operator" to any economic operator established in the customs territory.
- (b) An AEO shall benefit from facilitation with regard to customs controls relating to security and safety and from simplifications provided for under the customs rules.
- (c) The status of AEO shall, subject to the rules and conditions laid down in paragraph (d) below, be recognised by the competent authorities in all Member States, without prejudice to customs controls. The competent authorities shall, on the basis of the recognition of the status of AEO and provided that the requirements relating to a specific type of simplification provided for in the Common Market customs are fulfilled, authorise the operator to benefit from that simplification.
- (d) The criteria for granting the status of AEO shall include:
 - (i) an appropriate record of compliance with customs requirements;
 - (ii) a satisfactory system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;
 - (iii) where appropriate, proven financial solvency; and
 - (iv) where applicable, appropriate security and safety standards
- (2) The Committee [Customs Regulation Committee] shall make rules for:
 - (a) granting the status of economic operator;
 - (b) granting authorisation for the use of simplification;
 - (c) establishing which authority is competent to grant such status and authorisations;
 - (d) determining the type and extent of facilitation that may be granted in respect of customs controls relating to security and safety, taking into account the rules for common risk management;
 - (e) consultation with, and provision of information to, other customs authorities; and
 - (f) determining the conditions under which

- (i) an authorisation may be limited to one or more Member States;
 - (ii) the status of authorised economic operator may be suspended or withdrawn; and
 - (iii) the requirement of being established in the Common Market may be waived for specific categories of economic operators, taking into account, in particular, international agreements.
- In this regard, the above mentioned "Committee" refers to the COMESA Heads of Customs Sub-Committee appointed in terms of CMR Regulation 5.

3. ELIGIBLE ECONOMIC OPERATORS

Any economic operator that is established in the customs territory of COMESA i.e. at least one of the Member States, involved in the full international supply chain and carries out import, export and transit related activities in the region can apply for the Regional AEO authorization, irrespective of the size of the business including a Small Scale and Medium Size Enterprise (SMSE).

These economic operators include:

- Exporters
- Importers
- Freight forwarders
- Customs Clearing Agents/Customs Brokers
- Bonded warehouse Operators (owners)
- Manufacturers
- Transporters/Carriers
- Terminal operators
- Port and Airport Authorities

A person may apply for authorisation under one or more of these client categories. If the application for authorisation is approved, authorisation will relate to the specific client categories that the client has qualified for.

3.1. Granting Status of AEO

According to regulation 39 (1) (b) of the CMR, an AEO shall benefit from facilitation with regard to customs controls relating to security and safety and from simplifications provided for under the customs rules. However, the status of AEO shall, subject to the rules and conditions "selection criteria for granting status of AEO" laid down in paragraph (d).

The ultimate goal of the AEO SAFE Framework is implementation of a core set of WCO international standards which may be supplemented by regional and national requirements. And, effective implementation of the SAFE Framework can best be realized by establishing a balance between trade security and trade facilitation.

Accordingly, granting status of AEO can be categorized in to three types or levels of authorisation depending on the level of fulfillment of the economic operator to the criteria.

The following are types or levels of authorisation:

1. **AEO Silver level – Authorised for Customs Simplification Facilitation.**

- This authorization is issued to any operator who fulfills the selection criteria on risk basis with a high satisfactory score satisfactory score (at least 80%) of the total relevant requirements

of the checklist, particularly criteria of customs compliance, appropriate record keeping standards and financial solvency.

2. AEO Gold Level – Authorised for Security and Safety Facilitations

- This authorization is issued to any operator who fulfills the selection criteria on risk basis with a high satisfactory score (at least 80%) of the total relevant requirements of the checklist, particularly criteria of customs compliance, appropriate record keeping standards and financial solvency, and security and safety standards.

3. AEO Diamond Level- Authorised for combined customs simplifications and security and safety facilitations

- This authorization is issued to any operator who fulfills the selection criteria on risk basis with a very high satisfactory score (at least 90%) of the total relevant requirements of the checklist) and who wants to receive the benefits of both types of AEO

The applicant shall be assessed using the criteria provided for in the CMR and this Guideline and provided with a Certificate authorizing its status and benefits. Each status of authorisation offers different levels of benefits and it may also varies with the type of operators.

4. BENEFITS GRANTED TO AEOs

4.1. General Principles:

The practices of granting benefits to AEOs are one of the key measures to balance between trade security and trade facilitation. In order to achieve this measure, the following principles are recommended:

- a) The AEO authorisation is issued to the applicant economic operator on a voluntary basis, after a thorough audit on risk basis of his or her business activity,
- b) The Member States shall grant special benefits to the identified AEO depending on its category of status of AEO in accordance to the CMR and this guideline;
- c) These benefits should be enhancements above and beyond the normal procedures utilized when working with non-AEOs and not result in a loss of access to normal procedures already in place;
- d) The benefits shall be meaningful, evolving through time, measurable and reportable;
- e) The AEO status granted relates to the economic operator itself and applies to its own business activities and he/she is the only one entitled to receive the benefits;
- f) The AEO status shall be recognised across all Member States, pursuant to regulation 39 of the CMR. therefore, the holder of an AEO authorisation shall receive the same benefits in all Member States (in a reciprocal basis); and
- g) AEO benefits are an integral part of the Common Market legislation governing the AEO status.

These benefits are an indicative list of examples benefits that are subject to specific customs administration consideration, offering and approval. These examples are drawn from several sources including COMESA CMR and WCO guidelines and documents of practical experiences from Member States, EAC AEO programme, and other countries outside the region.

4.2. Benefits granted to AEO Silver level (AEO-S):

An AEO status in the form of an AEO – Silver level is envisaged for economic operators

established in the Common Market who would like to benefit from the various simplifications specifically provided for under the customs legislation.

An AEO – Silver level is entitled to the following major benefits:

- a) benefit from **specific types of simplifications** on the basis of the recognition of the AEO-Silver as long as the requirements related to a specific type of simplification provided for in the customs legislation are fulfilled;
- b) **more favourable treatment** than other economic operators in respect of customs controls, including **fewer physical and document-based controls**, with the exception of controls related to security and safety measures;
- c) **prior notification** in case of selection for customs control;
- d) **priority treatment** if selected for control; and
- e) possibility to **request a specific place for such control**.

The criterion for appropriate security and safety standards is not required for this type of AEO authorisation. Therefore, holders of **AEO-Silver** are not entitled to any of the AEO benefits related to security and safety of the international supply chain. The AEO status in the form of **AEO-Silver** is currently not taken into account with respect to Mutual Recognition Agreements (MRA) with third countries.

The abovementioned benefits are elaborated in detail here below as follows.

1) *Easier admittance to customs clearance simplifications (specific types of simplifications)*

- a) Self-Assessment of Customs Declaration;
- b) Self-Certification of Certification of Origin;
- c) Simplified Clearance on copied documents;
- d) Simplified/reduced data requirements in declaration and document submission of the obligation for the goods to be presented;
- e) Electronic submission (automatic passing) of customs declarations and documents;
- f) Expedited processes to resolve post-entry or post-clearance inquiries;
- g) Expedited payment of refund claim;
- h) Expedite document examination and release of shipments;
- i) Expedite physical examination and release of shipments; and
- j) operation of temporary storage facility.

2) *More favourable treatment [fewer physical and document-based controls]*

- a) fewer physical and document-based controls (lower risk score) for not security and safety controls;
- b) favourable treatment of other risk indicators e.g. country of origin;
- c) minimum/ waiver document examination;
- d) minimum/waiver physical examination;
- e) facilitates refund request;
- f) entry summary declaration; and
- g) customs declaration with security and safety data for exit summary declaration.

3) *prior notification in case of selection for customs control;*

- a) Where an AEO lodges a temporary storage declaration or a summary customs declaration

in accordance with the CMR or national customs laws, Prior notification shall take place before the presentation of the goods to customs;

- b) Pre-arrival clearance of imported goods/consignments;
 - c) Pre-examination of exported goods/consignments; and
 - d) Provide access to special information of customs and AEO related information.
- 4) *priority treatment of consignments if selected for not security related customs controls.*
- a) Fast track processing of Certificate of Origin;
 - b) Priority in customs clearance services based on Client-based Centralised clearance rather than consignment-based transactions;
 - c) Priority use of Non-intrusive inspection techniques when examination is required; and
 - d) Priority response to requests for rulings from national Customs authorities.
- 5) *possibility to request a specific place (e.g. premises) and time other than the competent customs office for customs control to be carried out*
- a) Carry out customs control activities at premises of the AEO on his/her self-request basis; and
 - b) Keeping Customs offices open on a continuous basis when a tangible need for such coverage has been specifically identified.

4.3. Benefits granted to the AEO Gold Level (AEO-G):

An AEO-Gold level is envisaged for economic operators established in the Common Market who would like to benefit from particular facilitations related to customs controls relating to security and safety when the goods enter or leave the customs territory of the Common Market.

An AEO-Gold level is entitled to the following main benefits:

- a) Facilitations regarding pre-departure declarations;
- b) More favourable treatment than other economic operators in respect of customs controls, including fewer physical and document-based controls in respect of security and safety;
- c) Prior notification in case of selection for customs control;
- d) Priority treatment if selected for control;
- e) Possibility to request a specific place for such control;
- f) Special measures relating to periods of trade disruption or elevated threat level; and
- g) Mutual recognition with third countries or trade partners.

An AEO-Gold level is recognised as an economic operator who has taken appropriate measures to secure his or her business and is thus a reliable actor in the international supply chain both from the perspective of the relevant government authorities and from the perspective of his or her business partners. The AEO-Gold is taken into account with respect to MRAs with third countries.

The abovementioned benefits are elaborated in detail here below as follows.

- 1) *Facilitations regarding pre-departure declarations;*

- a) Fast track processing of Advance Rulings (Origin, Tarif, and valuation);
- b) Pre-arrival clearance of imported goods/consignments; and
- c) Pre-examination of exported goods/consignments.

2) *More favourable treatment (fewer physical and document-based controls).*

More favourable treatment than other economic operators in respect of customs controls, including fewer physical and document-based controls in respect of security and safety:

- a) Account-based processing rather than transaction-by-transaction clearance of accounts;
- b) Eligibility for remote Customs clearance procedures;
- c) Waiver of transit/movement/ bond or guarantee;
- d) Waiver of electronic cargo trucking system;
- e) Minimum/waiver number of cargo security inspections;
- f) Exempt/reduce guarantee or security for customs duties & taxes and charges which may be required;
- g) Provide differed payment/credit facility;
- h) Simplified post-entry or post-clearance audit programmes;
- i) Eligibility for self-audit or reduced audit programmes;
- j) Favourable mitigation relief from Customs assessments of liquidated damages or non-criminal administrative penalties, except for fraud;
- k) Ability to file a corrective action or disclosure prior to the initiation of a Customs non-criminal administrative penalty procedure, except for fraud;
- l) No penalties or liquidated damages imposed for late payment of duties, with only interest accruing;
- m) Guaranteed renewal of business license including clearing agents, transit, warehouse operators;
- n) Voluntary basis and free of charge Customs services/Assistance/Consultation;
- o) A dedicated AEO service window/Desk or Client Relations Manager (Officer) Benefit the services of a Customer Relations Manager;
- p) Provide access to special information of customs and AEO related information
- q) Fewer physical and document-based controls (lower risk score) for not security and safety controls;
- r) Facilitates refund request;
- s) Self-management of bonded warehouse;
- t) Entry summary declaration; and
- u) Customs declaration with security and safety data for exit summary declaration.

3) *Prior Notification in case of selection for customs control related to security and safety;*

- a) Providing access to information of value to AEO participants, including names and contact information for other AEO participants, with the consent of those participants and List of recognized security standards and best practices.

4) *Priority Treatment if selected for customs control related to security and safety;*

- a) Priority consideration for participation in customs consultative and new programmes;
- b) Priority over non AEOs if it is selected for examination; and
- c) Priority treatment in all government service provisions (e.g. VIP service).

- 5) *Possibility to request a specific place and time for such control.*
 - a) Physical inspection of goods, if any, is carried out at operator's premises; and
 - b) Provide 24/7 service to the AEO Gold Level at his/her convenient time based on self-request
- 6) *Special measures relating to periods of trade disruption or elevated threat level:*
 - a) Accord Priority processing by Customs during period of elevated threat conditions;
 - b) Priority processing following an incident requiring the closing and re-opening of ports and/or borders; and
 - c) Priority in exporting to affected countries after an incident.
- 7) *Mutual Recognition with third countries*
 - a) Potential for future reciprocal arrangements and mutual recognition with countries or trading partners that adopt the WCO AEO Safe framework.

4.4. Benefits granted to the AEO-Diamond Level (AEO-D)

Both types of authorisations, AEO-S and AEO-G, may be held at the same time. In this case, the operator has to fulfil the criteria for both AEO levels and receives the benefits relating to both at AEO - D level.

Where an applicant is entitled to be granted both an AEO-S and an AEO-G authorisation, the customs authority or a competent to take the decision shall issue one combined authorization, i.e. AEO-D.

For the purpose of the management of the AEO-S and AEO-G authorisation held at the same time by an economic operator, the electronic exchange of information takes place via a unique AEO authorisation number (which shall include the structure of country code followed by letters AEOD and the national authorisation number).

4.5. Indirect benefits:

- a) Recognition as a secure and safe business partner;
- b) Improved relations with Customs and other government authorities; and
- c) Other indirect benefits such as improved planning and customer service, reduced theft and losses, reduced security and safety incidents, lower business costs and increased co-operation and improved security and communication between supply chain partners.

The AEO benefits are dependent on the status (type) of the authorisation, as summarised below in Table 1. To enable customs authorities to deliver these benefits, the AEO should ensure its unique identification number is declared to customs and the CBRAs.

Table 1: Summaries of AEO benefits based on status of AEO Authorization

| Benefit granted to AEOs | Status of AEO Authorisation | | |
|--|-----------------------------|-------|-------|
| | AEO-S | AEO-G | AEO-D |
| 1. Easier admittance to customs simplifications | X | | X |
| 2. Prior notification in case of selection for physical control (related to safety and security) | | X | X |
| 3. Fewer physical and document-based controls | | | X |
| a) related to security and safety | | X | |
| b) related to other customs laws | X | | |
| 4. Prior notification in case of selection for customs control | | | X |
| a) related to security and safety | | X | |
| b) related to other customs laws | X | | |
| 5. Priority treatment if selected for control | X | X | X |
| 6. Possibility to request a specific place for customs controls | X | X | X |
| 7. Special measures relating to periods of trade disruption or elevated threat level: | | X | X |
| 8. Indirect benefits | X | X | X |
| 9. Mutual Recognition with third countries or trade partners | | X | X |

5. SELECTION/ELIGIBILITY CRITERIA: Security and Compliance Requirements

This part outlines the detailed selection/eligibility criteria for the Regional AEO Scheme, in line with the CMR. The selection criteria are the minimum security and compliance requirements that shall be applied in evaluating applicants for AEO authorisation in the COMESA Member States.

To be eligible for AEO authorisation, the applicant must be a legal entity incorporated within the COMESA region and this should be supported by Company details with a valid business license/permits for at least 3 years prior to applying for AEO authorization.

The selection criteria must apply for all applicant operators depending on the nature and types of business of operators. The applicant should be able to provide information and ensure compliance with the following criteria:

- a) Status of Company Details;
- b) An appropriate record/history of compliance with customs requirements and other relevant regulations;
- c) A satisfactory internal control system of managing all required commercial and accounting records and, where appropriate, transport (logistics) records, which allows appropriate customs controls;
- d) Proven financial solvency/integrity/viability;
- e) where applicable, appropriate security and safety standards;
- f) Nature and flow of goods traded in by the company;
- g) Volume (Value) of business - Imports/Exports trends of the company;
- h) Monitoring, measurement, analysis and improvement process; and
- i) Consultation, co-operation and communication.

The detailed information to be provided and the required processes and procedures economic operators are expected to have in place in order to meet the eligibility criteria are described as follows.

5.1. Company details

- a) The applicant should provide, and/or demonstrate the Company details including following: Valid business license that shows legal entity incorporated within the COMESA region;
- b) Company Internal organization characteristics including structure and position of the official responsible for Customs matters in the organization structure;
- c) Contact person(s) for the purpose of the AEO authorisation and his/her respective contact details;
- d) Nature of business which should be in line with eligibility requirements (The applicant should provide detailed information allowing Customs to get sufficient and clear understanding of the company's role in the international trade supply chain);
- e) Key employees responsible for customs matters with Competence or professional qualifications in Customs matters; and
- f) The company is required to prove at least three years of engagement in the business applying for (e.g. import, export, transit) prior to applying for AEO Programme.

5.2. Record (history) of Compliance with Customs Requirements and other relevant government regulations

The applicant should not have breached any laws, rules and regulations pertaining to customs, domestic taxes and all relevant Government Agencies for a period of 3 years prior to application for authorisation.

Where the applicant has been established for more than 1 but less than 3 years, customs authorities shall assess the fulfilment of the condition on the basis of the records and information that are available and for the period the company has been established.

The applicant should provide, and/or demonstrate the following:

- a) The applicant should have compliance history for a period of 3 years;
- b) With no record of offence/infringement of customs laws or any other tax laws or related laws of the Member State;
- c) With a tolerable number of technical errors/mistakes and evidence of corrective action;
- d) With evidence of self-compliance checks and voluntary disclosure (The applicant should have in place procedures ensuring that relevant employees are instructed to inform the Customs whenever compliance difficulties are discovered and established procedures for informing Customs of such difficulties);
- e) Presence of and adherence to a professional code of conduct;
- f) With no duties and tax arrears (taxes past the due date) unless the applicant has an approved settlement plan with the Member State Revenue Authority;
- g) With evidence of compliance with all relevant government regulations;
- h) The applicant must not have been convicted of any criminal offence;
- i) The applicant's representative/agent or CEO in customs matters must not have been convicted for any criminal offence that that undermines their honesty and integrity; and
- j) An applicant who has already been an AEO before and his AEO authorisation has been revoked by customs, can submit a new application after three years following the date of revocation of the previous AEO authorisation.

5.3. Internal Control System of managing commercial, accounting and logistical records

The applicant shall have a satisfactory internal control system to maintain timely, accurate, complete and verifiable records relating to its customs related commercial transactions, accounting and logistical records and activities.

The applicant must demonstrate that the computer systems, the organizational internal operational procedures and processes will ensure compliance, depending type and size of the business.

In this regard, the condition on this criterion shall be considered to be fulfilled if the following conditions are met:

a) *Establish standard and integrated accounting and logistical systems.*

The applicant should maintain an accounting system which is consistent with the generally accepted accounting principles (GAAPs) or equivalent latest Accounting Standards, allowing audit-based customs control and maintaining a historical record of data that provides an audit trail from the moment the data enters the file.

b) *Adequate internal control management procedures.*

The applicant should have an administrative organisation which corresponds to the type and size of business and which is suitable for the management of the flow of goods, and has internal controls capable of preventing, detecting and correcting errors and of preventing and detecting illegal or irregular transactions.

c) *Adequate level of automation of company processes*

This includes, where appropriate, electronic registers, cargo and stock movements, and inbound and outbound processes and capacity of connectivity with customs electronic systems

d) *Ease of access to company records by customs.*

The applicant should allow the customs authority physical access to its accounting systems and, where applicable, to its necessary commercial and transport records.

e) *Maintenance/archiving of records for a specified period in line with the COMESA CMR.*

The applicant should have satisfactory procedures in place for the archiving of its records and information and for protection against the loss of information (The applicant shall have an established internal record keeping system, a Quality Management System, and or a compliance guide book that ensures all documents related to import transaction and import processing documents are correct and stored for an adequate time period for later production to Customs); and

The company should also agree to undergo an ex-post audit and meet the requirements of such audit, granting customs officers access to the results of the audit at its premises in accordance with the law.

5.4. Financial Solvency/Integrity/Viability

Financial solvency/viability of the AEO is an important indicator of an ability to maintain and improve upon measures to secure the supply chain.

The applicant must demonstrate adequate financial standing sufficient to fulfill its commitments with regard to the characteristics and the type of business. The applicant shall be deemed to have met the condition of solvency if it can be proven for the past 3 years.

The applicant shall not be subject to bankruptcy proceedings and must have fulfilled his obligations regarding payments of Customs duties, taxes and other charges for the last three years.

The AEO applicant shall maintain and provide documents to demonstrate the company's financial solvency, which may include, profit and loss statements and balance sheets; declaration of insolvency proceedings, if any, and statements from banks, financial institutions or National Revenue (Tax) Authority.

5.5. Security and Safety Standards

The applicant must demonstrate a high level of awareness on established security and safety measures, internally and in its business activities with clients. Understanding and implementation of safety and security controls must extend to the applicant's personnel. The condition on security and safety standards shall be considered as fulfilled where the applicant provides evidence of:

a) General information on safety and security procedures.

These shall include provisions on:

- Reliable procedures and a written system to ensure the company's supply chain has security controls;
- Regular assessments of the security risks in their operations and taking appropriate measures to mitigate those risks;
- Regular self-assessment of the security management system;
- Fully document of the self-assessment procedure and those of responsible parties; and
- Include in the review assessment results, feedback from the designated parties and recommendations for possible enhancements to be incorporated in a plan for the forthcoming period to ensure continued adequacy of the security management system.

b) *Appropriate premises (physical building) security.*

This shall include the following, as appropriate and based on risk:

- The premises (physical buildings) to be used in connection with the operations relating to the AEO authorisation provide protection against unlawful intrusion and are constructed of materials which resist unlawful entry;
- Appropriate security measures that monitor and control the facility's exterior and interior perimeters, such as standard fences, Cameras (CCTV), Mail Service Security, Lock and Key Control System, and Perimeter and Interior Alarms;
- appropriate measures are in place to prevent unauthorised access to offices, vehicles, vessels, aircraft, shipping areas, loading docks, cargo areas and other relevant places. If access control is not possible increased precautions in other security aspects is needed; and
- employees issued with identification or badges issued and supervised by the applicant. Only properly identified and authorized persons, vehicles and goods are permitted to access facilities

c) *Appropriate cargo security.*

This shall include the following, (as appropriate and based on risk):

- Established measures and routine procedures to ensure the integrity of cargo;
- Established administrative procedures on handling and inspecting cargo;
- Ownership and maintenance of cargo storage facilities;
- Sealing and tracking of cargo; and
- Entry restriction to cargo areas.

d) *Appropriate logistical/conveyance (transportation) security.*

This shall include the following, (as appropriate and based on risk):

- All transport conveyances used for the transportation of cargo within its supply chain are capable of being effectively secured;
- All operators of conveyances used for the transportation of cargo are trained to maintain the security of the transport conveyance and the cargo at all times while in its custody; and
- Consider potential places of concealment of illegal goods on transport conveyances, ensure that these places are regularly inspected, and secure all internal and external compartments and panels, as appropriate.

e) *Adequate Information Technology (IT) security.*

These are measures to protect against misuse and access by unauthorized persons. This includes the following, as appropriate and based on risk:

- Ensure standard system security and computerised environment necessary for information exchange, access and confidentiality;
- Establish back-up routines in case of computer system failures; and
- Introduce the use of national and regional standards in line with the international standards (such as the WCO SAFE Framework) regarding electronic data structure, timing for submission and message content.

f) *Appropriate measures for crisis management and incident recovery.*

The applicant shall establish crisis management and recovery procedures, which shall include planning and disaster recovery measures:

- Develop and document, in conjunction with the appropriate authorities, where advisable or necessary, contingency plans for emergency security situations and for disaster or terrorist incident recovery; and
- Include periodic training of employees and testing of emergency contingency plans.

g) *Appropriate Personnel Security.*

This is concerned with the screening of employees and prospective employees and shall include the following, as appropriate and based on risk:

- Procedures on recruiting new staff to verify that they are not previously convicted of security-related, Customs or other criminal offences, to the extent permitted by national legislation;
- Conduct periodic or cause background checks on employees working in security sensitive positions; and
- Have employee identification procedures.

h) Education, training and awareness of employees of security

Education, training and awareness encompass education and training of personnel regarding security policies, encouraging alertness for deviations from those policies and knowing what actions to take in response to security lapses. In this regard, the applicant should ensure the following conditions are met:

- Make every reasonable effort, as logically based on its business model, to educate its personnel, and where appropriate its trading partners, with regard to the risks associated with movements of goods in the international trade supply chain;
- Provide educational material, expert guidance and appropriate training on the identification of potentially suspect cargo to all relevant personnel involved in the supply chain, such as, security personnel, cargo-handling and cargo-documentation personnel, as well as employees in the shipping and receiving areas to the extent they are within the AEOs control;
- Keep adequate records of educational methods, guidance provided and training efforts undertaken to document the delivery of such programmes;
- Make employees aware of the procedures the AEO has in place to identify and report suspicious incidents;
- Conduct specific training to assist employees in maintaining cargo integrity, recognizing potential internal threats to security and protecting access controls;
- Upon request (if practicable), make Customs familiar with relevant internal information and security systems and processes, and assist Customs in appropriate training in search methods for those premises, conveyances and business operations of the AEO controls.

i) *Appropriate security requirements on trade partners.*

The applicant shall have to prove to the satisfaction of Customs that:

- Has taken measures to allow clearly to identify his/here business partners;
- Where applicable, when entering into negotiated contractual arrangements with a trading partner, encourage the other contracting party to assess and enhance its supply chain security and, to the extent practical for its business model, include such language in those contractual arrangements; and
- Has established a system of reviewing relevant commercial information relating to the other contracting party before entering into contractual relations.

5.6. Volume (Value) of business

There is no threshold to determine whether a company may apply for an authorisation. The volume of the applicant's business will be used to gauge eligibility (Risk assessment) for authorisation. Whereas specific requirements may vary, the following shall be examined to establish the relevant position:

- a) Statistics on the operator's business operation:
 - (i) Annual sell turnover (general) of the last 3 years;

- (ii) Annual net profit of the last 3 years; and
 - (iii) Contribution to Employment (Number of staffs).
- b) Statistics on customs and tax matters:
- (i) Annual Value of Imports/Exports trends of the company for the last 3 years;
 - (ii) Number of Customs declarations import/export/transit
 - (iii) The volume of duties and taxes paid by the operator in the last 3 years.
- c) Warehouse/Storage Capacity

5.7. Nature and flow of Goods Traded in

The applicant shall be assessed as to the nature and flow of goods traded in. The assessment shall take into account:

- a) Customs procedures in respect of the nature of goods, including: list of countries of trade, preferential measures; licensing and certification; and Other legal requirements.
- b) Internal aspects with regard to control over stock movement shall also be examined including: registration procedure and reconciliation of movement of inflow of goods (ordered, entered and received); Storage; Production; Chain of Custody; and Outgoing flow of goods (delivery from warehouse, shipment, transfer).

5.7. Satisfactory practice of Monitoring, Measurement, Analysis and Improvement Process

The AEO in collaboration with national customs administration should plan and implement monitoring, measurement, analysis and improvement processes in order to assess consistency with these guidelines with the view to ensure integrity and adequacy of the security management system; and identify potential areas for improving the security management system in order to enhance supply chain security.

The applicant shall ensure that the following are met:

- a) Regularly undertake, as specifically outlined in the AEO programme, assessments of the security risks in its operations and take appropriate measures to mitigate those risks;
- a) Establish and conduct regular self-assessments of its security management system;
- b) Fully document the self-assessment procedure and the responsible parties; and
- c) Include in the review assessment results, feedback from the designated parties and recommendations for possible enhancements to be incorporated in a plan for the forthcoming period to ensure continued adequacy of the security management system.

5.8. Consultation, co-operation and communication

Customs, other competent authorities and the AEO, at all levels, regional, national and local, should consult regularly on matters of mutual interest, including supply chain security and facilitation measures, in a manner which will not jeopardize enforcement activities. The results of this consultation should contribute to Customs development and maintenance of its risk management strategy.

In this regard, the applicant should demonstrate the following conditions are met:

- a) Provide clearly identified and readily accessible local points of contact or a corporate contact that can arrange immediate access to a local contact for all matters identified as being of

compliance and enforcement interest to Customs (cargo bookings, cargo tracking, employee information, etc.);

- b) Individually or, as appropriate, via an industry association, engage in an open and continuing mutual exchange of information with Customs, exclusive of information that cannot be released due to law enforcement sensitivities, legal basis or other precedent;
- c) Through particular mechanisms set forth in the national customs authority, notify an appropriate Customs official of any unusual or suspicious cargo documentation or abnormal requests for information on shipments; and
- d) Through particular mechanisms set forth in the national customs authority, provide timely notification to Customs and any other relevant authorities when employees discover illegal, suspicious or unaccounted - for cargo (Such cargo should be secured, as appropriate).

6. APPLICATION AND AUTHORISATION PROCESS AND PROCEDURES

This part provides a general overview of the complete application and authorisation process and procedures which includes application, verification and authorisation procedures.

6.1. General Procedures:

The authorization process should take into account the different levels of compliance that an AEO might achieve. The authorization implementation process should include incentive-based benefits and should consider the differences in risk rating with regard to the various activities and roles undertaken within the international trade supply chain. It should be noted that the accreditation process and procedures logically flows from and alongside the regional Risk Management and Post Clearance procedures. It is advised that the user of this Guideline should be familiar with those other procedures as they pertain to the AEO as well.

This process begins with the applicant's application accompanied by self-assessment and Customs validation process to confirm compliance with the conditions and the criteria of the AEO.

The applicant for AEO shall commit itself to an application and authorization process with its national Customs administration to implement supply chain security standards as set out in the CMR and this Guideline.

In order to execute effective self-assessment, the AEO shall appoint an individual within its management structure to be responsible for all supply chain security measures with regard to a specific national AEO programme. This nominated person shall also be responsible for communication with the Customs administration regarding the AEO approval system and maintenance of the standards.

Authorization will be granted by the national Customs administration after validation of the fulfillment of AEO conditions and requirements. The systems and procedures which govern the establishment and maintenance of AEO status are, by reference, incorporated into this Guideline in their entirety.

The conditions and requirements must be fulfilled within prescribed time limits determined by the authorizing Customs administration. Chaired by the Customs higher official, the validation Committee shall be comprising of other customs officers from relevant departments and other necessary experts with sufficient knowledge and experience in other regulatory government offices, as appropriate. roles of the validation committee may include:

- Authorization of AEOs
- Adjustment of AEO status/grades
- Designation of companies whose authorization will be reserved
- Rejecting/Cancellation of authorization of AEOs

- Other significant matters related with operating AEO program

While Customs under shall retain ultimate authority for authorising an AEO and for suspending or revoking such authorization, it may decide to designate third party validators to perform the assessment of an AEO applicant's compliance with the Guideline security standards and best practices and/or for validating such compliance.

6.2. AEO Application Process

The application process is as follows:

1. The Applicant shall consult with respective national Customs Administration prior to application for authorisation.
2. The Applicant should acknowledge that this is a voluntary programme and agree to implement core requirements pertaining to the role of an AEO as described in the COMESA CMR and this Guideline.
3. The applicant shall obtain the AEO Application Form and Self-Assessment Checklist or Questionnaire (SAQ) from the respective Customs Administration or Multipurpose online web-portal where available at the time.
4. The AEO application and SAQ shall comply with the form as laid down in the attached Annex.
5. The applicant shall carry out a self-assessment against the set criteria and only submit the application with supporting documents to the appropriate AEO Division or Officer in the respective Customs Administrations of the Member State if he/she meets the criteria. The supporting documents includes: -
 - a) Business certificate that shows company background and operating environment;
 - b) Submission of company audit reports;
 - c) Submission of record keeping/bank statements that indicates financial viability; and
 - d) Evidence that shows AEO Status in any other Country.
6. The applicant shall be taken through the sensitization process by the AEO Division in the Member States to obtain more information about the programme.
7. The application for AEO status shall only cover the legal entity of the applicant and will not automatically apply to a group of companies. For example, the AEO status is not automatically granted to the AEO entity's clearing agent or transporter as they will be required to apply separately for that status.
8. For maximum benefits to be derived, it would be ideal to have the whole supply chain players, for example the importer/exporter, the clearing agent, the transporter, the transit shed operator/container depot operator and the distributor the obtain the AEO status.
9. The Applicant shall be committed to implement, in conformance with its business model and risk analysis, the systems, procedures, conditions and requirements established in the SAQ in Annex.
10. The Applicant shall work with Customs cooperatively toward realizing the commitment of the Applicant for the submission and use of advance electronic information for risk assessment purposes.

6.3. Validation of Application and Authorisation Process

1. The Customs administration shall receive the Application and SAQ and verify or validate the application to confirm whether the applicant satisfies all eligibility and selection criteria relating to AEO status before authorization will be granted.
2. The verification or validation process shall be performed by designated officials of an authorizing Customs administration or by representatives of a designated third-party validator and shall be based on internationally recognized principles of audit and inspection. The Customs administration may designate a third-party validator who is trained and competent to perform the assessment of compliance with the security standards and best practices. However, decisions regarding authorization and validation will in such instances remain the purview of the Customs administration.
3. For each applicant, the AEO validation committee or unit shall obtain the information regarding the compliance of the applicant and consult the other Member States to establish whether they meet set criteria.
4. The Validation Committee shall be established from various relevant department or sections to approve the application before Authorization by a designated customs officer.
5. While undertaking verification application process, the following activities shall be carried out, among other:
 - a) Verify the application and SAQ submitted;
 - b) Check compliance history with customs risk profile database specific to the company;
 - c) Check risk compliance assessment with National Revenue (Tax) Authority and other relevant government regulatory agencies;
 - d) Check risk profile with any other country in the region or trading partner;
 - e) Conduct a pre-audit based verification;
 - f) Onsite-verification/validation at company premises;
 - g) Review of security procedures of the company; and
 - h) Comprehensive compliance assessment.
6. For the purposes of the validation whether the eligibility and selection criteria are fulfilled, customs may take into account expert conclusions provided by the applicant, where the expert having drawn the conclusions is not related to the applicant. The applicant shall make available to customs any audited reports and supporting documents by qualified auditors.
7. Any information obtained in the course of the validation procedure and within the scope of the Authorization is confidential between the Customs administration and the individual AEO and may be used solely for the purpose for which it was provided.
8. Upon the validation of the AEO's successful implementation of required measures, the Applicant shall be duly authorized as an AEO by the national Customs administration.
9. The AEO authorization will be valid unless it is revoked, withdrawn or suspended for a material failure to abide by the terms and conditions of the Authorization.

6.4. AEO Authorisation Certificate

Once the validation process is successful, the customs issued and provide with appropriate AEO Certificate that indicates of the authorisation for the AEO benefits. The three types of AEO certificates shall be issued in accordance to this Guideline.

The AEO Authorisation certificate shall be accompanied by MOU jointly signed between the Customs and the applicant as set out in the Model Format in Annex 4.

The AEO Authorisation certificate shall be issued with standard logo and contain a name of company, unique identification number and granted status of AEO as the Sample Format

attached in the Annex 5.

6.5. Time-limit:

Customs administrations shall respond to an AEO application within a reasonable period of time not later than 60 days. The response shall have necessary information including description of the decision to grant the AEO authorisation or to reject the application with reasonable justifications.

Where customs administration is unable to comply with the time-limit under the above-mentioned standard, Customs shall inform the applicant of the fact before the expiry of that time-limit, stating the reasons and indicating the further period of time which they consider necessary in order to gather relevant information and/or take a decision. The further period of time shall not exceed 30 days.

Where after acceptance of the application during the validation process, if customs considers it is necessary to ask for additional information from the applicant, it shall set a time-limit that shall not exceed 30 days to provide the information. The above mentioned 30 days time-limit shall be extended by that period.

6.6. Obligations of an AEO

Following its authorization, the AEO is required to do the followings:

1. Keep proper records in terms of Customs laws and other relevant government regulations.
2. Ensure its members of staff conduct their business in accordance with the procedures of the Customs laws and procedures or any relevant instructions given by the Customs Authority as set out in this guideline.
3. Ensure a relationship of good faith is maintained by its staff at all times in dealing with the Customs Authority.
4. Maintain an accounting system which is in accordance with the Generally Accepted Accounting Practices (GAAP) and which facilitates audit-based Customs controls.
5. Allow Customs Authority physical and electronic access to the information and documents as provided for in terms of the Customs laws and procedures or any relevant instructions given by the Customs Authority as set out in this guideline.
6. Ensure that its business premises are in conformity with the appropriate security and safety standards.

7. Post Authorization Monitoring and Management

The Post Authorisation Monitoring and Management of the AEO shall consist of the following activities: monitoring, post clearance audit (reassessment), Re-validation (re-authorisation), suspension, and revocation of the AEO authorization as well as AEO Appeal Procedures.

7.1. Monitoring and follow-up Process

1. Customs administrations shall establish and implement continuous follow-up and monitoring mechanisms to ensure that the conditions and criteria are fulfilled by the AEO and benefits granted to the AEO are delivered by the Customs in accordance to the CMR and the guideline.
2. As part of the benefits and follow-up mechanism, the AEO Division in Customs Administration shall appoint Client Relationship managers (officers), as appropriate, at its Branch Office and/or Head office to support the AEO and oversee smooth running of the day to day AEO transactions.
3. The Applicant should maintain the records specified in the applicable national Customs laws and regulations concerning commercial transactions relating to goods being traded in the international trade supply chain to make these available to the Customs administration for the purpose of monitoring, periodic audit and re-validation.
4. The AEO shall comply with the obligations resulting from the authorization and inform Customs without delay of any factor or contravention if arising after the authorisation is granted, which may influence its continuation or content.
5. The Customs Administration shall, at all times, maintain control and jurisdiction over all manual or electronic data provided by AEOs to Customs and retain it for specific period of years as set out in the CMR to ensure the proper destruction of all copies of such data, as appropriate, as well as having procedures and back-up capabilities in place to protect against the loss of or unauthorized access to information.
6. For the above purposes, the Customs administration shall have a comprehensive and automated AEOs Risk Profiles database and management system to ensure the appropriate support, monitoring and managing AEO as well as the online exchange of information and documents in line with risk management principles.

7.2. Post Clearance Audit/Reassessment Process

1. The AEO Division or other relevant division in the Customs administration shall periodically (every three years) reassess/Audit the integrity of systems and procedures being applied by the AEO under the Authorization to verify/check based on risk analysis if the compliance levels are maintained.
2. In specific cases, where necessary, customs may carry out, where appropriate, random spot checks and visits to the operator's premises and reassessment/post clearance audit before the expiry of the 3 years period to check if the compliance levels are maintained based on intelligence and risk-based control.
3. Although in general the re-assessment to be done may vary from case to case, the following common elements should be taken into account:
 - (a) **scope of the re-assessment** – the criteria and conditions to be checked or verified taking into account the reasons for starting the re-assessment.
 - (b) **method of re-assessment** - only documentary check or combined with an on-site visit where appropriate for the specific criteria to be re-assessed;

- (c) **time-limit** – there is no time-limit specified for conducting a re-assessment. However, it has to be defined depending on the number of the criteria to be checked, whether an on-site visit is envisaged and normally it should not go beyond the same time-limits for the original AEO decision;
 - (d) **re-assessments involving other Member States**- where the re-assessment involves a re-assessment of the criteria in other Member States, the rules for the consultation procedures in Exchange of information between Member States and with other government authorities shall apply. Normally, the customs authority in the other Member State shall determine whether a visit is required as part of the re-assessment process. The time-limits for the other Member State(s) to respond should follow the normal time-limits for consultation under CMR or other related laws.
 - (e) **other customs authorisations affected** - when a re-assessment is carried out, it is advisable to establish whether the AEO holds other authorisations or simplifications that are conditional on compliance with the AEO criteria, for example authorisation to use simplified procedures. Where this is the case, it should be taken into account and any possible duplication of re-assessment work both in terms of the customs resources and the economic operator concerned should be avoided.
 - (f) **re-assessment report** - in terms of reports and documentation similar approach as for the original audit should apply. It is important that the subsequent action proposed is reflected in the report i.e. suspension, revocation, measures to be taken and deadlines.
 - (g) **availability of the results** - it is necessary to make the results of the re-assessment available to the customs authorities of all Member States, and where appropriate other government authorities, using the communication system EOS no matter whether it has been involved in a consultation procedure or not.
4. The Customs administration shall communicate the responsible AEO regarding the result of the post clearance audit or reassessment within short period of time after it has finalised.

7.3. Revalidation/Re-authorisation

1. Where following the periodical reassessment (every 3 years) the AEO is found compliant, the AEO Division or other relevant division in the Customs administration shall prepare a report of findings and submit to the approval Division or committee for re-authorisation.
2. Depending the outcome of the re-assessment, the AEO can be fully or partially re-validated or upgraded its previous status of AEO.
3. A copy of the report shall be provided to the AEO together with the renewed AEO authorisation. The Specimen Format for reauthorization or renewal is attached herewith in Annex.

7.4. Warning, Suspension and Revocation

1. Where customs considers that one or more of the conditions for the AEO are not fulfilled or that the AEO does not comply with the obligations imposed under the AEO authorisation, depending on the gravity of non-compliance the approval committee or relevant division in customs shall make recommendations to the appropriate higher customs officer for warning, suspension or revocation.
2. The AEO may request the authorisation to be suspended if he is temporarily unable to fulfil the conditions for the authorisation or cannot comply with the obligations imposed under that authorisation.
3. Where warning is recommended, the appropriate Customs Officer may warn the AEO for a period not exceeding 6 months subject to correction of the non-compliance issues and notify the Committee on Customs on the corrective measures taken.
4. Where suspension is recommended, the appropriate Customs Officer may suspend the AEO authorisation for a period of 30 days subject to correction of the non-compliance issues and notify the Committee on Customs on the corrective measures taken
5. Where suspension of the authorisation is on request by the AEO, the appropriate Customs Officer may suspend the AEO authorisation for the period notified by the AEO.
6. If the company fails to resolve the non-compliance issues within the period allowed for warning or suspension, the appropriate Customs Officer may proceed with revocation of the authorisation.

7.5. WITHDRAWAL AND TERMINATION OF AEO

1. The Customs Authority or the AEO may terminate or withdraw from the obligations under the signed Memorandum of Understanding (MOU) by giving the other three months written notice of intention to do so.
2. The termination or withdrawal will take effect on agreement of the two parties at the end of three months from the date of service of notice.
3. A party to this MOU that terminates the MOU will continue to perform its outstanding responsibilities as agreed upon until to the extinction of those obligations.

8. AEO APPEAL PROCEDURES

1. National AEO programmes need to include a means of appeal against decisions by Customs administrations regarding AEO authorization including denial, suspension, If the economic operator has any appeal against decisions made by customs administrations regarding AEO authorisation including denial, suspension, revocation or withdrawal, he/she may submit an appeal in writing to the appropriate customs officer in the national customs administration.
2. The appeal shall be reviewed by the appropriate customs officers who is independent or higher department or body in/out side customs and handled in accordance with the Appeal procedures as set out in the CMRs.
3. Where the Economic operator does not appeal in writing within the stipulated time frame the decision is upheld.
4. Customs shall inform the operator in writing the final decision of the Appeal with 30 days after the submission of the appeal

9. Exchange of information related to the AEO

9.1. Exchange of information between customs and other government authorities

In the framework of the AEO authorisation process, consultation and where appropriate exchange of information between customs and other government authorities is very important. Depending on the specific case and the respective legislation regulating it the level and form of consultation and/or exchange of information with other government authorities can be different.

The first case is the general condition that the AEO status is granted by customs authorities following consultation with other competent authorities. The necessity for such a consultation depends on a number of issues, e.g. type of economic activity of the applicant and goods involved; possibility of checks by customs authorities based on the information available to them in order to establish whether the applicant complies with any obligations he or she might have under other relevant legislation (e.g. commercial policy measures, specific prohibitions and restrictions).

The second case where exchange of information with other competent authorities is necessary when other the CMR legislation provides for recognition of the AEO status. In these cases it is also the customs legislation that defines who these competent authorities are and the cases where exchange of information with them is obligatory in order to ensure the proper implementation of the respective recognition envisaged.

A third case could be, that the data exchange is based on national level to enhance the quality of the pending AEO authorisation and the authorisation/certificate issued by the other competent government authority and/or to avoid unnecessary double checks for the economic operator.

9.2. Exchange of information between Member States

In the context of the AEO procedure, exchange of information between Member States is an important factor when it comes to assuring the compliance of an economic operator with the

AEO criteria. This is particularly important because, once granted, the AEO authorisation is valid throughout the Common Market. It also recognises that many economic operators are engaged in customs activities in a number of different Member States across the Common Market and the assessment of the AEO criteria should be made against all their relevant customs activities. This can only be done through effective information and consultation procedures between the Member States.

The legislation assigns a leading role to the issuing Customs Authority that is responsible for accepting the application and granting the AEO authorisation. Nevertheless, customs authorities in the other Member States also play an important role in the process. Two different procedures are established in order to exchange information among Member States and provide to the issuing Customs Authority all the relevant information for taking the appropriate decision.

9.3. Automation of AEO Procedures for Exchange of Information

The Customs administration are encouraged to establish a modern, fully flexible and comprehensive automation system for all steps of the AEO process based on open-sources, which can be integrated into any existing ICT-platforms and systems at national or regional level.

The Customs Administration shall provide all necessary training and awareness to all users of the automation systems including AEO, customs officers and other relevant cross border regulatory agencies.

10. Mutual Recognition of Authorized Economic Operators

This part focuses on the general background and process of Mutual Recognitions Agreements and its implementation in line with the SAFE Framework

It must be acknowledged that a global system of mutual recognition of AEO status will require some time to accomplish and, in this respect, it is noted that just as it has been suggested by WCO Members and the WCO Secretariat that the SAFE Framework be implemented in a progressively "phased approach", so too should be the expectations for the future application of mutual recognition of Customs systems of control for partnership programmes. bilateral, sub-regional or regional initiatives are being developed as useful stepping stones toward such a global system.

10.1. Process steps towards Mutual Recognition

For the Common Market, the following steps are recommended to achieve Mutual recognition

- a) Member States shall have formal commitment to establish Mutual Recognition Agreement (MRA)
- b) Comparison of legislations of the countries intended for MRA
- c) Assessment of implementation of the respective programmes and exchange of best practices including on-site visits on both sides in line with recommendations on how to conduct monitoring/audit visits)
- d) Agreement on MRA text in line with the COMESA Model MRA as attached in Annex 6 with these guidelines. The MRA text would typically contain the following essential parts: It states the compatibility of the two AEO programmes, enumerates the reciprocal benefits to be granted, as precise as possible. It contains the data that is subject to the automatic data exchange and data protection rules. Furthermore, it contains procedural rules,

- including rules on the unilateral suspension of benefits
- e) Electronic data exchange system between/among the Member States

10.2. Identification Benefits for AEOs under the MRA:

In MRA, identification of benefits for AEOs on reciprocal basis as agreed in the bilateral, regional or multilateral levels in line with the WCO SAFE Framework Standards. The following are examples of real benefits which can be laid down in the individual agreements.

- Fewer security and safety related controls;
- Priority treatment at customs clearance;
- Joint Business continuity mechanism to respond to disruptions in trade flows;
-

10.3. Implementation and follow-up after the signature of an MRA

The development and deployment of an Automated Data exchange mechanism is essential for the implementation of an MRA. In other words, the implementation of an MRA can only start, once the automated data exchange mechanism is up and running.

Once an MRA has been concluded, the dialogue with the partner country continues. There shall be frequent exchanges of information, about recent developments, including cooperation in cases of unilateral suspension of MRA benefits. In this regard, best practices (such as EU) regarding the implementation of an MRA include joint outreach to trade at conferences, seminars and the developments of joint Frequently Asked Questions (FAQs) that explain the technical aspects of the MRA.

In order to make sure that both sides keep their standards regarding the AEO procedures it is highly recommended that regular monitoring visits take place on both sides.

10.4. Process of AEO benefit from MRA

AEO companies with the security component that wish to benefit from the MRAs concluded by the Common Market need to check if they have provided their written consent to the exchange of information (other than the Name, Address, Type of AEO, AEO Number) with MRA partner countries. This written consent is to be submitted together with the AEO application. In any case, this consent can be provided or withdrawn at any time by the applicant/AEO. In order to provide or withdraw the consent the AEO has to contact the issuing competent authority.

The Customs Administration can publish the general information of the AEO (Name, Address, Type of AEO, AEO Number) on its website or other form without the consent of the Applicant. Only some detail information is subject to the consent of the applicant.

In order to benefit from the "Recognition of business partners during the application process" companies in the Member States applying for AEO status may indicate the AEO number of any business partner they may have which is AEO in one of the countries that the Common Market has an MRA with (name, address, AEO number). When a company applies for AEO status in the Common Market and has business partners who are AEO for security and safety in one of the countries that the Common Market has an MRA with, these business partners are considered safe and secure and generally no additional requirements (security declaration etc.) will be asked from them.

In order to benefit from the “fewer security and safety related controls and priority treatment at customs clearance” the AEO has to communicate its Identification number to his or her business partner in the respective MRA partner country. The business partner enters the Identification number in the declaration form for the import process into the MRA partner country.

10.5 Unilateral Suspension of Benefits

Under an MRA, it cannot be excluded that one of the partner countries discovers a case of security related incident in which AEO companies of the other party are involved (e.g. a seizure of narcotics from a container of an AEO company).

For these cases the respective MRA decisions can contain the legal basis for both sides to suspend the benefits of the AEO companies involved.

In those cases the information exchange will be conducted between designated Secretariat and MRA partner country contact points, and between the Member States and the Secretariat based on the agreed information exchange mechanisms though a secure electronic communication e.g., e-mail.

10.6. Recommendations for conducting an AEO audit or monitoring visit in another Member State

One of the essential parts of the MRA negotiation with partner countries, as well as part of the monitoring as part of the MRA implementation are AEO audit or monitoring on-site visits.

The aim of the on-site visit is to observe how the AEO programme is implemented in practice by the different Member States. The on-site visit should not be mandatory for all AEO. It can be carried out on selective AEOs based on sample or risk selectivity. Such visits can occur as part of the MRA negotiations (phase 2) and as part of the MRA implementation once an MRA has entered into force.

In general, the main interest is to confirm that the AEO legislation is implemented in a uniform manner by the Member States.

It consists of two parts, first an introduction to the national AEO organisation and structure and an overview about the company to be visited. The second part is the actual visit to the company.

10.7. Discussion on the implementation of the AEO programme at Member State level

The main interest is to see how the AEO programme is implemented from an operational point of view at Member State level.

It should include a brief overview of the:

- Customs Administration in general
- AEO organisational structure, e.g. number of staff dedicated to AEO (full time and part time, training system, outreach to business community)
- Authorization procedure, including application and the self-assessment questionnaire, how security requirements are checked.
- Monitoring and post-audit
- Cooperation with other Member states (during authorisation and monitoring)

10.8. Company visit:

The aim of the company visit is to observe Member States' AEO auditors carrying out an audit at an applicant's premises or a monitoring visit at an AEO company. Representatives of the MRA partner country, and Member States customs administrations will participate at the site visit as observers.

It is essential that the companies are informed about the purpose of the exercise and that they know that the aim is to confirm that the AEO implementation in the Member State visited is in line with the Common Market standards.

The visit to the premises of the applicant/AEO company is usually structured in the following way:

- The visit should consist of a real-life audit, which in particular should be guided by the AEO auditors – not by the company;
- The company should be informed in advance of this visit and how it will be conducted;
- Auditors should undertake their normal tasks
- in case of an audit during an AEO application
- in case of a Monitoring visit (existing AEO authorisation) i.e. ask the questions about recent developments that have an impact on AEOs, ask the company to explain or demonstrate their security procedures);
- In case translation is necessary, time should be provided to translate the content of the questions of the auditors and answers of the company. The company should be informed about this approach beforehand;
- The observers (from the MRA partner country) can only get a snapshot of the AEO audit/monitoring process;
- The validation visit should conclude with recommendations to the applicant;
- The audit exercise should focus on the Security and Safety of these Guidelines.

11. Implementation of the Guideline and Transition Framework

1. The Member States shall review and align their existing laws and procedures to implement their AEO programme in line with this Guideline;
2. The Member States should establish appropriate AEO structure at national and at branch office levels;
3. The Member States should publish its procedures to the public and share with Member States through the Secretariat;
4. The Customs Administrations in the Member States should sensitization and engage relevant stakeholders from public and private sector in developing, implementing and reviewing the AEO Programme;
5. The Customs Administrations in the Member States, in collaboration with the Secretariat, should provide technical trainings to customs officers and relevant CBRAs on AEO related areas such as AEO Validation, MRA negotiation, Risk Management, PCA and Change management; and

6. Each Member State shall establish monitoring and evaluation framework to measure and improve the implementation of AEO Programme in line with the COMESA guidelines.

ANNEXES

1. APPLICATION FORM
2. SELF-ASSESSMENT CHECKLIST/QUESTIONNAIRE (SAQ)
3. APPLICATION AND AUTHORISATION PROCESS
4. MODEL FOR AEO MEMORANDUM OF UNDERSTANDING
5. SPECIMEN OF THE COMESA AEO CERTIFICATE AND LOGO
6. COMESA Model for Mutual Recognition Agreement (MRA)



ANNEX 1: APPLICATION FORM FOR JOINING AEO PROGRAMME

| A. GENERAL COMPANY INFORMATION | | |
|--|--|-----------------------------|
| 1. Full Legal Company Name | | |
| 2. Legal status of the applicant (as given in the document of establishment) | | |
| 3. Date of establishment (DD-MM-YYYY) | | |
| 4. Full Address of Registration/establishment (including Country, City, Street, Building, Floor, Post Code/Zip Code, Fax No., Phone No. and Website) | | |
| 5. Trade License Number | | |
| 6. Trade License Registration and Expiry date | Registration Date (DD-MM-YYYY) | Expiry Date (DD-MM-YYYY) |
| 7. Tax Identification Number (TIN) | | |
| 8. VAT identification numbers | | |
| 9. Type of Ownership (<i>tick the appropriate</i>) | <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor | |

| | |
|--|---|
| | <input type="checkbox"/> Wholly Owned Subsidiary <input type="checkbox"/> Joint Venture <input type="checkbox"/> Other (Specify):..... |
|--|---|

B. COMPANY OPERATIONS

| | |
|---|---|
| 10. Your business nature or your role in the international supply chain (tick appropriate) | <input type="checkbox"/> Manufacturer <input type="checkbox"/> Importer <input type="checkbox"/> Exporter <input type="checkbox"/> Customs Agent <input type="checkbox"/> Freight Forwarder <input type="checkbox"/> Transporter/Carrier <input type="checkbox"/> Warehouse Operator <input type="checkbox"/> Other (Specify) |
| 11. Full Address where the main activities of the company business are carried out (if different from the above) | |
| 12. Please indicate the date since you have started customs related activities. | |
| 13. Number of Locations/sites in the country involved in international supply chain (If the company has multiple Locations involved in customs related activities, list all names of the locations and their full addresses and site contact persons (points) in country covered by this application) | |
| 14. Full address of the office where the customs documentation is kept | |
| 15. Full address of the office responsible for providing all customs documentations (If the offices have the same address as above, indicate 'same') | |
| 16. Full address of the office where the full accounts are kept (If the offices have the same address as above, indicate 'same') | |

C. DESIGNATED CONTACT PERSON IN CHARGE OF YOUR CUSTOMS MATTERS

| | | | |
|--------------------------------|----------|----------------|----------|
| 17. Contact Person's Full Name | | ID/Passport No | |
| Designation/Position Title | | | |
| Physical Address | Country: | City: | Street: |
| Contact Address | Phone: | Mobile: | Fax: |
| | | | Building |
| | | | Email |

D. TYPE OF AEO AUTHORIZATION STATUS REQUIRED

| | |
|---|---|
| 18. Describe for which type of AEO authorization status are you required or applied for | <input type="checkbox"/> AEO Silver – Customs Simplification <input type="checkbox"/> AEO Gold – Security and Safety <input type="checkbox"/> AEO Diamond – Combined Customs Simplification and Security and Safety |
| 19. If your company is part of a group, please provide a brief description of the group and indicate if any other entities in the group | <input type="checkbox"/> Already have an AEO Authorisation <input type="checkbox"/> Have applied for AEO status and are currently undergoing an AEO audit by a national customs authority If you have already AEO authorization, describe the Type and Certificate No. |

E. DOCUMENTS TO BE SUBMITTED

20. The following documents must be submitted to Customs (tick ✓ the appropriate)

- An introduction and Organizational Chart of the company
- Completed and signed AEO Self-Assessment Questionnaire (SAQ)¹, with supporting documents as stated in the SAQ, including:
 - List of executive management and board members, stating names, roles, addresses, passport or ID number
 - List of principle shareholders/owners including percentage of shareholding/ownership and stating names, addresses, passport or ID number
 - Standard Operating Procedures
 - Process map(s)
 - Site plan(s)
 - Security measures put in place by the company to enhance the security of the company's supply chain
 - Copy of the company's relevant security accreditations
 - Other (Specify)

¹ The completed Application and Self-Assessment Questionnaire (SAQ) should be signed by a Director/Managing Partner/Sole Proprietor or an authorised signatory as appropriate.

21. Number of Annexes and pages attached/submitted with this Application

F.

22.

23.

G. DECLARATION AND UNDERTAKING

24. I/we take cognisance of all the conditions listed below so as to be part of the AEO programme, and hereby confirm my unreserved adherence to the said conditions, namely:

- (a) I/We declare that all the information provided above and documents attached and submitted with application is true and correct, to the best of my/our knowledge and take full responsibility for its accuracy.
- (b) I/We also undertake to inform the Customs Administration immediately of any change in the particulars declared on this application form.
- (c) By submitting this application, I/we acknowledge that I have read and understood my duties, responsibilities and rights as set out in the Customs laws and other applicable regulations/guidelines and agree to be fully comply with them.
- (d) The Customs Administration may revoke the AEO Authorisation if I am found in violation of the conditions and requirements for participation in the AEO programme
- (e) By submitting this application, I accept that information regarding my operations may be shared with other Customs administrations as well as other regulatory agencies within the COMESA region.
- (f) Any other conditions as may be imposed by the Commissioner of Customs Administrations under this Programme

H. SIGNATURE OF THE APPLICANT OR AN AUTHORISED APPLICANT ON BEHALF OF THE COMPANY

| | | | |
|--------------------|--|---------------------|--|
| 25. Applicant Name | | ID/Passport Number | |
| Designation/Title | | Email Address | |
| Signature | | Date of Application | |

I. FOR OFFICIAL USE ONLY

| | | | | | |
|-----------------------------|--|-------------------------|------------|-----------------|---|
| 26. Application Number | | Received Date | | Received by | |
| 27. Application Verified by | | Approval Status Date | Accepted (| Validity Status | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| | | | Queried | | |
| | | | Rejected | | |

ANNEX 2 : SELF-ASSESSMENT QUESTIONNAIRE (SAQ)

| No. | QUESTIONS/CHECKLISTS | APPLICANT RESPONSE | Customs Observation | Customs Risk Rating |
|------------|--|--------------------|---------------------|---------------------|
| 1. | COMPANY DETAILS | | | |
| 1.1 | General Company Information | | | |
| 1.1.1 | Do you have valid business licenses that shows your company's legal entity incorporated and engaged in the business applying for within the country/COMESA region for at least 3 years prior applying for this application for AEO Programme? Yes/No | | | |
| 1.1.1 | If Yes, please describe it and attach copy. | | | |
| 1.1.1 | Do you trade (sell or buy) with business (which is related to you)? (YES/NO) | | | |
| 1.1.2 | Please provide details of any independently accredited standards to which you adhere. | | | |
| | List certifications under other security-related programmes, standards or other national agencies or authorities if applicable. | | | |
| 1.2 | Internal organization characteristics | | | |
| 1.2.1 | a) Briefly describe the internal organisational structure of your company (e.g. through an organisation chart) and the tasks/ responsibilities of each department and | | | |
| | b) Give the names of senior management personnel (directors, heads of departments, head of accounting, head of customs department) responsible for areas relevant for this application (e.g. customs procedures, finance, human resources, Security). | | | |
| 1.2.2 | How many people are employed in your company? | | | |
| 1.2.3 | Give the following details (if they apply to the legal form of your company) a) Provide details of the owners or main shareholders and include percentage held b) Provide full details of the main shareholders that are involved with the day to day running/decision making of the business c) Full details of the board members and/or managers d) Full details of advisory board, if any, and board of directors e) Full details of the person in charge of your company or exercising control over your company's management | | | |
| 1.3 | Competence or professional qualifications | | | |
| 1.3.1 | Do you or the person in charge of your customs matters have practical experience of a minimum of three years in customs matters? Yes/No If yes, please provide details proving this experience | | | |

| | | | |
|------------|--|--|--|
| 1.3.2 | Do you or the person in charge of your customs matters comply with the applicable quality standard concerning customs matters? Yes/No If yes, please provide details | | |
| 1.3.3 | Have you or the person in charge of your customs matters successfully completed training covering customs legislation consistent with and relevant to the extent of your involvement in customs related activities, provided by any of the following: a) a customs authority of a Member State; b) an educational establishment recognized for the purposes of providing such qualification, by the customs authorities or another body of a Member State responsible for professional training c) a professional or trade association recognised by the customs authorities of a Member State or accredited in the Common Market, for the purposes of providing such qualification? Yes/No | | |
| 1.3.4 | If yes, please provide details regarding the training you or the person in charge of your customs matters have successfully completed. | | |
| 1.3.5 | Provide the names and contact details of the senior personnel (Directors, heads of departments, head of accounting, head of customs department etc.) of the company and briefly describe the stand-in rules. Please provide information on their professional background, in particular experience in customs matters | | |
| 1.3.4 | Have you documented fail back procedures when key staffs are absent? Please describe any known planned changes to the company's business practices or relationships that will impact the handling of goods or the supply chain currently being used. | | |
| 1.4 | Volume of business | | |
| 1.4.1 | a) Provide the annual turnover figure of completed annual accounts for the last 3 years prior to the date of this application. | | |
| 1.4.2 | For each of the following, give an estimate of the number and value of the declarations your company have made in each of the last three years prior to the date of the application: a) Import b) Export/Re-export c) Transit d) Special procedures | | |
| 1.4.3 | Please give an estimate of the amount of duties and taxes paid in each of the last three years for the following: a) Customs duty b) Excise tax c) Import VAT | | |

| | | | |
|------------|---|--|--|
| 1.4.4 | Has your company dealt in duty exempted goods in the last 3 years? (Yes or No) If Yes, give an estimate of the number and value of the declarations of those duty exempted goods that your company have made in each of the last three years prior to the date of the application? | | |
| 1.4.5 | a) If you own or use storage sites/premises, give the total storage capacity and average percentage of the storage capacity normally utilized? b) If you use storage facilities which are not owned by you indicate who you rent/lease it from? | | |
| 1.4.6 | a) Please describe briefly the changes you may foresee in any structural changes in your company in the next 3 years? b) Please describe briefly the changes you may foresee any major changes in the supply chain of your company is presently involved in, during the next 3 years? | | |
| 1.5 | NATURE AND FLOW OF GOODS TRADED IN | | |
| | NATURE OF GOODS TRADED IN | | |
| 1.5.1 | Provide a list of the main countries in COMESA region as well as the rest of the world with which you trade. | | |
| 1.5.2 | a) Do you deal in goods which are subject to preferential rate of duty? (Yes or No). If yes, please give an overview of the preferential schemes you are using? b) Have you documented procedures for claiming preferential rates of duty on imports? Yes/No | | |
| 1.5.3 | Has your company dealt in duty exempted goods in the last 3 years? (Yes/No) If Yes, please provide details | | |
| 1.5.4 | a) Do you deal in goods subject to licenses, permits, certificates or restrictions? (Yes/No) If yes, please provide details. b) Have you documented procedures for administering these licenses? Yes/No | | |
| | FLOW OF GOODS TRADED IN | | |
| 1.5.5 | Depending on your business activity, please describe briefly the registration procedure (physically and in the records) for the flow of goods starting from their arrival, the storage up to manufacture and shipment. Who keeps records and where are they kept? | | |
| 1.5.6 | Have you documented procedures to control stock movement that includes reconciliation of movement of inflow of goods (ordered, entered and received); Storage; Production; Chain of Custody; and Outgoing flow of goods (delivery from warehouse, shipment, transfer)? (Yes/ No) If Yes, briefly describe the procedures in place for checking stock levels, including the frequency of those checks and how are discrepancies handled (e.g. stocktaking and inventory)? | | |
| 1.5.7 | Have you documented procedures to control your manufacturing/production processes? (Yes/No) If Yes, briefly describe. | | |
| 1.5.8 | Have you documented procedures to control the delivery of goods to your customers? (Yes/No) If Yes, briefly describe. | | |
| 2 | Record of Compliance with Customs Requirements and other Relevant Regulations | | |

| | | | | |
|-----|---|--|--|--|
| 2.1 | <p>a. Have any applications for authorization/certifications held or sought by your business which has been withdrawn, suspended or revoked because of breaches of customs rules or any other reason in the last three years? Yes/No. If Yes, please describe how many times and what are the reasons.</p> | | | |
| 2.2 | <p>Do you have documented procedures for verifying the accuracy of customs declarations and other relevant supporting documents, including those submitted on your behalf (e.g. a customs agent or a freight forwarder)? Yes/No.</p> | | | |
| 2.3 | <p>If Yes, please describe briefly the procedures. Does your company have routines and/or instructions or guidelines on the disclosing or notification of irregularities to customs or other competent regulatory authorities as appropriate? Yes /No If Yes, are these instructions documented (e.g. work instructions, manuals, other guidance documents)? Yes /No</p> | | | |
| 2.4 | <p>Do you have a demonstrated record of compliance with customs and other relevant government regulations over the last three years? Yes/No If Yes, describe briefly and attach supporting document.</p> | | | |
| 2.5 | <p>Over the last 3 years, have you detected any irregularities (or presumed irregularities) and notified the irregularities to the customs and/or fiscal authorities or competent authorities? Yes /No If Yes, briefly describe the details. a) Description of compliance errors or irregularities b) How did you notify compliance errors or irregularities to the competent authorities? c) What quality assurance measures or any remedial action you have taken to avoid such irregularities in the future? d) the notes you keep on these quality assurance measures?</p> | | | |
| 2.6 | <p>Has any action been taken against your company on any offence/infringement committed under the laws, rules and regulations pertaining to Customs, domestic taxes and all relevant Government Agencies in the last 3 years? (Yes/No) If yes, please describe the date and type of offence that has been committed and corrective actions that has been taken? Please also make reference to the sentence of the court, in any.</p> | | | |
| 2.7 | <p>Does your company owe any unpaid duties to the Customs Administration or have any other outstanding obligation to any of the Revenue Administrations? Yes/No. If yes, please specify.</p> | | | |
| 2.8 | <p>Do you have a documented personnel code of conduct? (Yes or No) If yes, describe if it is adhered and provide a copy of it</p> | | | |

| 3. | Internal control system for maintenance and managing the commercial, accounting and logistical records | |
|-------|---|--|
| 3.1 | Audit trail | |
| 3.1.1 | Do you have accounting system which is consistent with the generally accepted accounting principles (GAAPs) or equivalent latest Accounting Standards? Yes/No | |
| 3.1.2 | Does your business processes particularly accounting system facilitate a full audit trail of your customs activities or tax relevant movement of goods or accounting entries? Yes/No If yes, please describe briefly the essential features of this audit trail | |
| 3.2 | Accounting and logistical system | |
| 3.2.1 | a) Do you have a Risk Management Policy that applies in your company internal control system? Yes/No If Yes, please describe briefly. | |
| 3.2.2 | b) Does your company hold any Quality Management Certificates (ISO or Similar)? Yes/No If Yes, please describe briefly. | |
| 3.2.3 | a) Do you have established an automated and integrated accounting and logistical systems? Yes/No If Yes, describe briefly | |
| 3.2.3 | a) If it is automated, is it possible for Customs to interrogate and extract the data from the accounting and logistics system? (Yes/No) | |
| 3.2.3 | b) Are your logistical systems capable of distinguishing between Common Market and non-Common Market goods and indicating their location? (Yes/No) If Yes, provide details. | |
| 3.2.5 | a) Describe what computer system (hardware, operating system and software applications) do you use for your commercial business (accounting and logistics system) in general, and for customs matters in particular? Please provide the name of the software manufacturer or supplier? b) Do those two systems integrated/interfaced or not? Yes/No c) Provide information on the following: (i) separation of functions between development, testing and operation (ii) separation of functions between users (iii) access controls (which ones/to whom) (iv) traceability between business system and declaration system. | |
| 3.2.6 | a) Where are your computer activities and servers located? b) Have computer applications been outsourced? (Yes/No) If yes, provide details (including full name address, TIN, VAT number) of company or companies where the applications are outsourced and how do you manage access controls for the outsourced applications? | |
| 3.3 | Internal control procedures/systems | |
| 3.3.1 | Please describe the internal control system for the relevant departments of your company to identify, report to responsible management and rectify discrepancies in process and assure proper implementation of customs procedures and legislation. | |

| | | | | | |
|-------|---|--|--|--|--|
| 3.3.2 | <p>Do you have documented procedures and guidelines for the internal control system by which employees within the different units in your business operate? (E.g. depending on the business activity such as – purchase, production, storage, sales, etc.) (Yes or No).</p> <p>If YES, please describe them briefly and how they are updated. (For example, actions like job instructions, employee training, instructions for checking faults and mechanism for proof-reading.)</p> | | | | |
| 3.3.3 | <p>Does your company have an internal/external audit function? (Yes or No)</p> <p>If Yes, is there a framework established to take actions on recommendations of the Internal/External Audit? (Yes or No)</p> | | | | |
| 3.3.4 | <p>Have your internal control processes been subject to any internal/external audit? (Yes or No)</p> <p>Does this include audit of your customs routines? Yes/No.</p> | | | | |
| 3.3.5 | <p>If yes, please provide a copy of your most recent audit report.</p> <p>a) Have you documented procedures to regulate and control the use and access to key and confidential business information? (Yes/No)</p> <p>If Yes, describe in brief the procedures for checking your computer files (standing data or master files)?</p> <p>b) How do these procedures cover the following risks from your perspective? (i) Incorrect and/or incomplete recording of transactions in the accounting system. (ii) Use of incorrect permanent or out-of-date data such as number of articles and tariff codes. (iii) Inadequate control of the company processes within the applicant's business.</p> | | | | |
| 3.3.6 | <p>a) Do you perform customs formalities in your own name and for your own behalf? Yes/No</p> <p>b) Are you being represented by someone regarding customs formalities (e.g. customs clearing agent)? Yes/No If yes, by whom and how (directly or indirectly)? Please include the name, address and TIN of the significant representatives.</p> <p>c) Do you have a process for selection and appointment of a Customs Clearing Agent that includes examining validity of all relevant licenses and other official documents of the agent? YES/NO</p> <p>If YES, please describe briefly.</p> | | | | |
| 3.3.7 | <p>Have you documented procedures for verifying the accuracy of customs declarations, including those submitted on your behalf by a third-party representative (e.g. agent, forwarder or freight forwarder etc.)? Yes/No.</p> <p>If Yes, please describe briefly the procedures.</p> <p>If No, explain how do you verify the accuracy of customs declaration?</p> | | | | |
| 3.3.8 | <p>Please describe the following information related to Goods Description and tariff classification:</p> <p>a) How, and by whom, is the goods description and tariff classification handled and decided?</p> | | | | |

| | | | | |
|------------|--|--|--|--|
| | <p>b) Have you documented procedures for the goods description and classification? Yes/No</p> <p>c) What quality assurance measures do you take to ensure that goods description and tariff classifications are correct (e.g. checks, internal working instructions, regular training)?</p> <p>d) Do you keep notes on these quality assurance measures? Yes/No</p> <p>e) Do you regularly monitor the effectiveness of your quality assurance measures? Yes/No</p> <p>f) What resources do you use for goods description and tariff classification (e.g. database of standing data on goods)?</p> | | | |
| 3.3.9 | <p>Please describe the information related to Customs Value:</p> <p>a) How and by whom is the customs value established?</p> <p>b) Have you documented procedures for determining the correct value for duty and VAT (for both imports and exports/re-exports)? (Yes/No)</p> <p>c) What quality assurance measures do you take to ensure that the customs value is correctly established (e.g. checks, internal working instructions, regular training, other means)?</p> <p>d) Do you regularly monitor the effectiveness of your quality assurance measures related to customs value? (Yes/No)</p> <p>e) If yes, provide details (notes) on these quality assurance measures</p> <p>f) Do you keep notes on these quality assurance measures? Yes/No</p> | | | |
| 3.3.10 | <p>Please describe the information related to Country of Origin:</p> <p>a) Give an overview of your company's management of country of origin for export and import goods? If none, state N/A.</p> <p>b) What internal actions have you implemented to verify that the country of origin of the imported goods is declared correctly?</p> <p>c) Describe your approach in the issuing of proof of preferences and certificates of origin for exportation.</p> <p>d) Have you documented procedures for claiming preferential rates of duty on imports? Yes/No</p> | | | |
| 3.3.11 | <p>a) Does your company have instructions or guidelines on the notification of irregularities to the competent authorities (e.g. suspicion of theft, burglary or smuggling in connection with customs-related goods)? Yes/No</p> <p>If Yes, are these instructions documented (e.g. work instructions, manuals, other guidance documents)? Yes/No</p> <p>b) Over the last year, have you detected any irregularities (or presumed irregularities) and notified them to the competent authorities? Yes/No</p> <p>If Yes, please provide the latest notification.</p> | | | |
| 3.4 | Adequate level of automation of company processes | | | |
| 3.4.1 | <p>Do you have automated processes of your company including electronic registers, cargo and stock movements, and inbound and outbound processes? Yes/No</p> <p>If Yes, describe briefly</p> | | | |

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| 3.5 | Maintenance/archiving of records | |
| 3.5.1 | Do you have satisfactory procedures in place for back-up, recovery, fall back, archiving and retrieval, and for protection against the loss of your business records or information? (Yes/No) If Yes, please describe briefly | |
| 3.5.2 | Describe briefly an established internal record keeping system, Quality Management System, and or compliance guide book that ensures that all documents related to import transaction and import processing documents are correct and stored for an adequate time for later production to Customs? (Yes/No) | |
| 3.5.3 | If Yes, please provide details. | |
| 3.5.4 | How long is the data saved in the production system and how long is this data archived? Does the company have a contingency plan for system disruption/failure? Yes/No | |
| 3.6 | Access to company records by customs | |
| 3.6.1 | a) Have you documented procedures for internal control to protect your <i>company records documents and</i> computer system against unauthorized access? (Yes/No) If Yes, describe briefly b) Do you have documented internal procedures that allows the customs authority to physical access to necessary commercial and accounting systems and transport records of your company, where applicable? Yes/No If Yes, describe briefly | |
| 3.6.2 | a) Describe briefly how access rights for the computer systems are issued. b) Who is responsible for the running and protection of the computer system? c) Do you have guidelines or internal instructions for IT security for your personnel? d) How do you monitor that IT security measures are followed inside your company? | |
| 4. | FINANCIAL SOLVENCY/VIABILITY | |
| 4.1 | Are all your annual accounts up to date? (Yes/No) | |
| 4.2 | Has your company a consistently good financial standing sufficient to meet its financial commitments, over the last 3 years? (Yes/No) If Yes, please provide evidence about your financial standing over the last three years such as a letter from your audited financial statements, a copy of your finalised accounts (if your accounts have not been audited) or evidence from your bank or financial institution statements that demonstrate financial viability. If No, please provide the details. | |

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| 4.3 | Please provide profit and loss statements and balance sheet for the last three years? If a new business, state N/A. | | | |
| 4.4 | Have any bankruptcy or insolvency proceedings been initiated in respect of your company's assets in the last three years? (Yes/No) | | | |
| 4.5 | If Yes, please provide details Is there anything you are aware of that could impact on your financial solvency in the foreseeable future? Yes/No. If yes, provide details. | | | |
| 5 | SECURITY AND SAFETY STANDARDS | | | |
| 5.1 | General Information on Safety and security | | | |
| 5.1.1 | Please give the name and the position of the person competent for safety and security related questions in your company? | | | |
| 5.1.2 | a) Have you already been certified/authorised/approved by another public agency or authority for (transport, civil aviation, etc.) security purposes? Yes/No. If yes, please provide a copy of the certificate/authorisation/approval and give details of the premises/sites, which are covered by the relevant certificate/authorisation/approval. b) Provide a list of any independently accredited standards/licenses/authorisations on safety and security to which you adhere and specify what control/audits these standards are subject to. c) Have you planned to apply or have you already applied for any other certification/authorisation/approval for security purposes (e.g. regulated agent, known consignor, etc.)? Yes/No If yes, please provide details. | | | |
| 5.1.3 | Do you have self-assessment of the security management policy and system in place? | | | |
| 5.1.4 | a) Have you carried out a safety and security (risk and threat) assessment for your business? Yes/No b) Is there a safety and security plan/measure in place for each site (where appropriate)? Yes/No If Yes, how often are those documents reviewed and updated? | | | |
| 5.1.5 | a) Did you comply with the particular security and safety requirements for the goods you are frequently importing/exporting/transiting? Yes/No If Yes, please describe briefly the applicable b) Describe briefly what particular safety and security risks (within the company or in your business dealings with customers, suppliers and external service providers) you have identified in relation to the AEO security criteria? Describe briefly how are security measures implemented and coordinated in your company and who is responsible for them? | | | |
| 5.1.6 | Describe briefly how are security measures implemented and coordinated in your company and who is responsible for them? | | | |
| 5.1.7 | If you have several premises in your company, is the implementation of the safety and security measures harmonised in these locations? Yes/No If No, please describe briefly what are the different measures. | | | |

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| 5.1.8 | <p>a) Do you have any security instructions? (Yes/No) If Yes, describe briefly how are they communicated to your staff and people visiting your company premises; And how are they documented (manual, work guidelines, information sheet, etc.)?</p> | | | |
| 5.1.9 | <p>a) Have you had any security incidents over the last 3 years? Yes/No. If yes, please give a brief description of the incidents and what measures you have introduced to prevent them from re-occurring? b) Do you keep records of security incidents and the measures taken? Yes/No</p> | | | |
| 5.1.10 | <p>a) Do you use the services of a security company? If so, describe which company do you use? b) Has this company made a threat assessment of your company? If so, describe briefly what security risks they have identified in relation to the AEO security criteria.</p> | | | |
| 5.1.11 | <p>Do your customers or insurance company impose any safety and security requirements on you? Yes/No. If yes, provide details</p> | | | |

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| 5.2 | Physical Building (Premises) security | | | |
| 5.2.1 | <p>General Physical Premises security</p> <p>Have you implemented measures to secure your business premises/building, including areas such as perimeter fencing, gates and gate houses, parking, building structure, locking devices and key controls, alarm systems and video surveillance cameras, security personnel, and access controls? Yes/No.</p> <p>If Yes, please describe it briefly:</p> <p>a) How the external boundary of your company's premises is secured?</p> <p>b) How is compliance with these procedures checked?</p> | | | |

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| | <p>c) How, by whom and at what intervals are checks carried out on the fences and buildings? d) How are these checks and their results recorded? e) How are security incidents reported and dealt with?</p> | | | |
| 5.2.2 | <p>Perimeter Fencing: Have you documented procedures for checking and maintaining the security of buildings and external boundaries? Yes/No</p> <p>Briefly describe the procedures in place: for the segregation of high value and hazardous cargo; to ensure that all fencing is regularly inspected for integrity, damage and repaired; and for perimeters identifiable (signage) as controlled areas for authorized personnel only.</p> | | | |
| 5.2.3 | <p>Building Structure Is the building constructed of materials that resist unlawful entry and protect against external intrusion? Briefly describe the procedures in place to ensure that the integrity of the structures is maintained by periodic inspection and repair.</p> | | | |
| 5.2.4 | <p>Parking Have you documented procedures to protect your premises against unauthorized access by private vehicles? Yes/No</p> <p>Briefly describe the procedures in place to prohibit the parking of employees and visitors' vehicles in close proximity to cargo handling and storage areas.</p> | | | |
| 5.2.5 | <p>Gates and Gate Houses: Briefly describe the procedures in place: to control the movement of all vehicles and/or personnel entering or exiting the gates, and to protect premises against unauthorised access by private vehicles that specify when and how searches of vehicles or personnel entering or exiting controlled areas of the premises are to be performed.</p> <p>Are gates through which vehicles and/or personnel enter or exit manned, monitored or otherwise controlled?</p> | | | |
| 5.2.6 | <p>Have you documented procedures for control of access to all gates/entrance points? (Yes/ No)</p> <p>Locking Devices and Key Controls Do you have locks/security measures for inner and outer doors, windows and gates? (Yes/No)</p> <p>If Yes, have you documented procedures for the handling of keys? Briefly describe the procedures in place: to ensure that all external and internal windows, doors, fences and gates are secured with locking devices or alternative access monitoring or other control measures, for issuance and access to locks and keys, and for conducting periodic inventory of locks and keys.</p> | | | |

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| 5.2.7 | <p>Lighting Describe briefly the procedures in place to ensure adequate lighting inside and outside company facilities including the following areas: entrances and exits, cargo handling and storage areas, fence lines and parking areas.</p> <p>Describe the processes in place to maintain equipment and retention of recordings.</p> | | | |
| 5.2.8 | <p>Alarm Systems and Video Surveillance Cameras Are alarm systems and video surveillance cameras utilised to prevent potential intruders from attempting to gain entry, detect possible intrusion, expand the area of security surveillance and assist in post-incident investigations?</p> | | | |
| 5.2.9 | <p>Security Personnel and Organisation If personnel is in charge of the security of the company, please describe briefly the procedures in place? If an organisation/unit is in charge of the security of the company please describe briefly the procedures in place.</p> | | | |
| 5.2.10 | <p>Access to premises Controls Please describe briefly how your employment policy deals with security and safety requirements:</p> <p>a) Describe briefly company employee access controls to the premises/site always, including; whether an employee identification system is in place that provides positive identification for access control purposes and while working in restricted areas; and employees only are given access to those areas needed for the performance of their duties?</p> <p>b) Describe briefly the positive identification procedures and access controls to the premises/site always for visitors, vendors and contractors, including; to register and control all visitors, vendors, contractors, etc.; to present photo identification or proper vendor ID for positive identification and access control purposes; and to visibly display identification passes.</p> <p>c) Have you documented procedures for ensuring only authorised staff has access to internal parts of the premises? Yes/No</p> <p>d) Have you documented procedures for dealing with unauthorized access or intrusion? Yes/No</p> <p>If Yes, describe briefly the procedures in place for employees to report and challenge any unauthorised or unidentified persons?</p> <p>Manufacture/Production of goods</p> | | | |
| 5.2.11 | <p>Have you documented procedures to address the safety and security issues surrounding your manufacturing processes? Yes/No</p> | | | |
| 5.2.12 | <p>a) what locations/areas are designated for the manufacturing of goods Describe briefly</p> <p>b) carried out by an external partner (for example, job processing, drop shipment)? Yes/No Describe briefly how the integrity of the goods is ensured (for example, contractual agreements)</p> | | | |

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| 5.2.13 | Are there any security measures protecting goods against unauthorized access to the production area? Yes/No | | |
| | If Yes, briefly describe how compliance with these procedures is checked? | | |
| 5.2.14 | Describe briefly the procedures for packing products and whether they exit in written form | | |
| 5.2.15 | If final product packaging is outsourced to a third party, describe briefly how the integrity of the goods is guaranteed? | | |
| | Warehouse and Storage of goods/cargos | | |
| 5.2.16 | Describe briefly the procedures in place to prevent unauthorised access and/or tampering of conveyances, containers and cargo in your custody stored in a secure area | | |
| 5.2.17 | Have you documented procedures to address the safety and security issues surrounding storage of your goods? Yes/No | | |
| 5.2.18 | Describe briefly at which locations your company has set aside areas for the storage of goods? | | |
| 5.2.19 | a) routine for allocating a storage position for incoming goods? Describe briefly the | | |
| | b) outdoor storage locations? Yes/No Do you have | | |
| | If Yes, please describe it briefly | | |
| 5.2.20 | Do you have documented stocktaking and procedures for dealing with irregularities? Yes/No | | |
| | If Yes, describe briefly your arrangements | | |
| 5.2.21 | a) different risk levels stored separately? Yes/No Are goods of | | |
| | b) for any separate storage, for example, hazardous goods, high value goods, chemicals, weapons, air cargo/air mail Describe the criteria | | |
| | Describe how you make sure that the goods are immediately recorded in the logistical accounts/stock records | | |
| 5.2.22 | a) goods are protected against unauthorized access to warehouse premises? Describe briefly how | | |
| | Describe briefly how compliance with these procedures is checked? | | |
| 5.2.23 | If storage of goods is outsourced to third party, please describe briefly how and where the goods are stored and your control measures you use to supervise the handling of goods | | |
| 5.3 | Logistical/conveyance/transportation Security | | |

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| 5.3.1 | Describe briefly the procedures in place to protect, to the extent and scope of your authority and responsibility, conveyances (e.g. trucks, prime movers, trailers) against the introduction of unauthorised personnel and material. | |
| 5.3.2 | Describe which means of transport (e.g., Trucks, Rail Train, Air, Ship or Others) are normally used by your company? | |
| 5.3.3 | Does your company carry out all its own transport, or does it also use external (third party) service providers (e.g. freight forwarders/carriers)? | |
| 5.3.4 | If you use external transport service providers, explain the means of security standards or agreements with the service provider in place outlining responsibilities and procedures for the security of goods under conveyance? | |
| 5.3.5 | If you do not use a regular contractor, how do you ensure the safety and security of the transport of your goods? Yes/No Describe briefly the procedures in place to consider potential places of concealment on conveyances and ensure that these are regularly inspected. | |
| 5.3.6 | Describe briefly the procedures in place to train drivers on subjects such as: (a) Inspection of conveyance; (b) Confidentiality of load, route and destination; (c) Policy on keys, parking area, refueling and unscheduled stops; (d) Reporting for accident or emergency; (e) Reporting of any irregularity in loading, locking and sealing; and (f) Testing of security alarms and tracking devices, if any. | |
| 5.4 | Cargo security (containers, transport boxes) | |
| 5.4.1 | a) If you are an importer or exporter, please describe briefly the procedures in place (i) to ensure that information in all documentation used in the movement and clearance of cargo, both electronic and manual, including those documents prepared by third parties such as Customs house brokers, are legible, complete and protected against the exchange, loss or intentional introduction of erroneous information and available for examination. (ii) directing staff what should be done if they encounter a suspicious document. | |
| 5.4.2 | b) If you are carrier, please describe briefly the documented procedures in place to ensure that information in the carriers manifest accurately reflects the information provided to the carrier by the shipper or its agent and is filed with Customs in a timely Describe briefly the procedures in place to protect against the introduction of unauthorised material and persons into Cargo? | |

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| 5.4.3 | <p>a) cargo units used by your business? Yes/No If not, describe the owner of the cargo units you usually use.</p> <p>b) routine inspections and maintenance of the cargo units?</p> | <p>Do you own the</p> <p>Do you carry out</p> | | |
| 5.4.4 | <p>a) documented control procedures to monitor the security of cargo units used by your business whilst under your responsibility? Yes/No If Yes, please describe briefly.</p> <p>b) documented procedures to control the loading of goods and any safety and security measures required by your customers at the time of loading? Yes/No If Yes, describe briefly how loading of goods is managed in your company (e.g. allocation of responsibilities, checks on goods, and means of transport, recording of results, provision of information, etc.)?</p> <p>c) documented procedures to deal with incidents of unauthorised access or tampering with a cargo unit? Yes/No If Yes, please describe briefly.</p> | <p>Have you</p> <p>Have you</p> <p>Have you</p> | | |
| 5.4.5 | <p>Is the maintenance/repair of the cargo units carried out at your premises or externally? Yes/No If it is externally, have you documented procedures for checking/inspection of the cargo units on their return prior to loading? Yes/No</p> | | | |
| 5.4.6 | <p>a) prevent unauthorized tampering with goods? Yes/No If Yes, provide details</p> <p>b) satisfy any specific standards (for example, ISO 17712) how, by whom and what sort of seals do you use?</p> <p>c) Are any seal numbers mentioned in the documents accompanying the goods? Yes/No</p> <p>d) How do you keep a record of your seals?</p> <p>e) sure that goods are not tampered with if seals are not used?</p> <p>f) Describe briefly the procedures in place</p> | <p>Do you use seals to</p> <p>Do these seals</p> <p>How do you make</p> | | |
| 5.4.7 | <p>- to ensure that arriving and departing cargo is reconciled against relevant documents, for example, cargo manifest, packing list, bill of lading, purchase order and delivery order.</p> | | | |

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| | <ul style="list-style-type: none"> - to compare, where feasible, the cargo with delivery documents when receiving and releasing cargo and to inform the appointed security officer if a discrepancy is detected. - to ensure that persons / drivers delivering or receiving cargo are positively identified before cargo is received or released and to provide supervision to cargo handling processes. | | | |
| 5.4.8 | a) Briefly describe the procedure for ensuring the security and safety of incoming/outgoing goods? b) Briefly describe how the compliance with these procedures is checked? | | | |
| 5.4.9 | a) Describe briefly the arrangements that are in place which ensure that goods to be loaded and the loading/unloading process itself are not left unsupervised b) Describe briefly how compliance with customers' security requirements for loading/unloading is guaranteed? | | | |
| | Describe briefly how, when, whom and when departing goods are checked against orders and loading lists and recorded out of the stock records? | | | |
| 5.4.10 | Describe briefly what control mechanisms you have in place for detecting irregularities concerning the loading/unloading of goods? | | | |
| 5.4.11 | Are the incoming goods marked? Yes/No. If Yes, describe how are they marked? | | | |
| 5.4.12 | Describe briefly the process for counting and weighing incoming goods? | | | |
| 5.4.13 | a) Describe briefly how incoming goods are checked against the accompanying documents and entered in your records? b) Describe briefly when incoming goods are checked against the accompanying documents and entered in your records c) Describe briefly by whom and what incoming goods are checked against the accompanying documents and entered in your records | | | |
| 5.4.14 | a) Are the sections responsible for the purchase of goods, the receipt of goods and general administration clearly separated? Yes/No b) Do integrated internal control mechanisms exist between the sections? Yes/No. If Yes, how are they executed. | | | |
| 5.4.15 | Describe briefly the documented procedures in place a) for critical process handover points (e.g., document preparation processes, issue of seals, breaking of seals, physical count of cargo, conveyance inspection, cargo delivery, cargo receipt). ⁶ b) pertaining to custody and responsibility over cargo when a party takes receipt of the cargo or when a service is provided. c) to monitor on a continuous basis the movement of the cargo. d) for controlling the movement of cargo within the port or airport prior to exit or the movement prior to entry, where applicable, for monitoring the loading of cargo for export. | | | |
| 5.4.16 | Describe briefly the procedures in place | | | |

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| | <p>a) to verify the physical integrity of the cargo conveyance prior to stuffing, including the reliability of the locking mechanisms of the doors.</p> <p>b) for inspecting the structure of the transport conveyance including the reliability of the access controls. When appropriate to the type of conveyance is a seven-point inspection process carried out for all dedicated transport conveyances prior to stuffing, including:</p> <ul style="list-style-type: none"> (i) Front wall; (ii) Left side; (iii) Right side; (iv) Floor; (v) Ceiling; (vi) Inside/outside doors; and (vii) Outside/undercarriage? | |
| 5.4.17 | <p>a) Describe briefly the procedures in place on how seals are to be controlled, affixed and checked to ensure only designated authorised person(s) distribute seals.</p> <p>b) Do you require hauliers to have documented procedures for regular vehicle inspections after stops in journey; that drivers ensure the integrity of the load whilst other consignments are added or removed; and that drivers have been trained in prompt reporting of incidents?</p> <p>c) Do you use electronic cargo tracking system? Yes/No If Yes, please describe details</p> <p>d) Describe briefly the procedures in place to periodically review compliance with these requirements.</p> | |
| 5.5 Information Technology (IT) security | | |
| 5.5.1 | <p>Describe briefly the procedures in place to maintain confidentiality and integrity of data and information systems used in the supply chain including protection against misuse and unauthorised alteration; and to ensure proper transfer, storage and final disposal of data and information</p> | |
| 5.5.2 | <p>a) Describe briefly what actions have been taken to protect (e.g. restricted access rights, creation of electronic backup) information/documents from unauthorised access, abuse, intended destruction and loss?</p> <p>b) Have there been any cases of unauthorised access to documents in the last year, and if so what measures have been taken to prevent this from happening again?</p> <p>c) Please briefly answer the following questions: - a) Which categories of employees have access to detailed data about the flow of materials and goods?</p> <p>d) Which categories of employees are authorised to change such data? Are changes comprehensively documented?</p> | |
| 5.5.3 | <p>a) Describe briefly how access rights for the computer systems are issued and who is responsible for the running and protection of the computer system?</p> | |

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| | b) Describe briefly the information security procedures and/or security related controls in place to protect information systems from unauthorised access? | | |
| 5.5.4 | a) Have you documented procedures to control your document security? Yes/No b) Describe briefly what actions have been taken to protect (e.g. constricted access rights, creation of electronic backup) information/documents from unauthorised access, abuse, intended destruction and loss? | | |
| 5.5.5 | Have there been any cases of unauthorised access to documents in the last 3 years, and if so what measures have been taken to prevent this from happening again? | | |
| 5.5.6 | Please briefly answer the following questions: | | |
| | a) Which categories of employees have access to detailed data about the flow of materials and goods? b) Which categories of employees are authorised to change this data? Are changes comprehensively documented? | | |
| 5.5.7 | a) Briefly describe what requirements regarding safety and security you require from your trade partners and other contact persons to avoid abuse of information, for example, endangering of the supply chain through an authorized transfer of shipping details b) Are Security declarations/agreements in place with your trade partners? Yes/No If No, how do you ensure the safety and security of information and/or goods? | | |
| 5.5.8 | a) Please describe where your main server is located and give details of how it is secured. b) Describe briefly the actions you have taken to protect your computer system from unauthorised intrusion (Firewall, antivirus Programme, password protection, etc. ...)? | | |
| 5.6 | Measures for crisis management and incident recovery | | |
| 5.6.1 | Describe briefly the procedures in place identifying such threats as terrorism, contraband/Human Smuggling, Organised Crime or other Conditions which may increase the probability of a security breach | | |
| 5.6.2 | Describe briefly the crisis management, business continuity and security recovery plans in place. Describe briefly the procedures and back-up capabilities in place to protect against the loss of information? | | |
| 5.6.3 | Does the company have a contingency plan for system disruption/failure? Describe briefly the training provided for employees in crisis management and any drill conducted for the contingency plan. | | |
| 5.6.4 | Describe briefly the procedures in place to report and respond an incident or risk situation and identify root causes so that actions can be taken to protect against recurrences. | | |

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| 5.6.5 | Describe briefly the procedures in place to ensure that incidents are reported to management, investigated and analysed with the objectives of determining the cause of the incident and implementing the necessary revisions and improvements to protect against the recurrence of such an incident. | |
| 5.7 | Personnel/Employment security | |
| | General issues | |
| 5.7.1. | <p>a) Describe briefly how your employment policy deals with security and safety requirements? Who is responsible for this area?</p> <p>b) Are the security procedures recorded in writing? Yes/No.</p> <p>c) Describe briefly how is compliance with these procedures checked?</p> | |
| 5.7.2. | <p>Pre-Employment Verification and Background Checks:</p> <p>a) Describe briefly the procedures in place: to ensure the application information for both permanent and temporary personnel, such as employment history and references, verified prior to employment; and to ensure background checks (e.g. police checks) conducted on prospective permanent and temporary personnel as appropriate and to the extent allowed for by law and to confirm that he/she has no criminal record?</p> <p>b) Indicate the procedure when new employees who will be working in security-sensitive fields and existing employees who are to be transferred into security-sensitive fields.</p> | |
| 5.7.3 | <p>Periodic Background Checks / Reinvestigations for Current Personnel</p> <p>a) Describe briefly the procedures in place: for the provision of periodic checks to the extent allowed by law performed on current permanent employees as to whether the periodic checks are based upon the position and responsibilities of the personnel in the company.</p> | |
| 5.7.4 | <p>Resignation and Termination of Personnel</p> <p>a) Describe briefly the procedures in place: to remove identification cards, as well as premises and information systems access for terminated and resigned permanent and temporary personnel and to control the employee's ability to compromise security standards, if company policy, national law, employment contract or other agreement allows for a period of continued employment between termination/resignation notice and last work day.</p> <p>b) How is it ensured that when staffs leave, they no longer have any physical or electronic access to company premises or data?</p> | |
| 5.7.5 | <p>Temporary personnel security standards</p> <p>Describe briefly the procedures in place to ensure temporary employees are checked regularly according to security standards. Please specify:</p> <p>a) the areas where these employees are used</p> | |

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| | <p>b) how and by whom the temporary employees are checked.</p> <p>c) the security instructions for these employees.</p> | | |
| 5.8 | Education, Training and Awareness on safety and security | | |
| 5.8.1 | <p>a) Does your company conduct trainings on safety and security standards awareness programmes to employees? (Yes/No)</p> <p>If Yes, describe details including, the frequency of security and safety training; supplier of the training</p> <p>b) Are there written records on this training? Yes/No.</p> | | |
| 5.8.2 | <p>a) Describe briefly the procedures in place to educate your personnel with regard to the risks associated with movements of goods in the international trade supply chain.</p> <p>b) Describe briefly what procedures are in place for employees to identify and report suspicious incidents.</p> | | |
| 5.8.3 | <p>a) Describe briefly what educational material, expert guidance and appropriate training on the identification of potentially suspect cargo is provided to all relevant personnel involved in the supply chain.</p> <p>b) Describe briefly any specific training conducted to assist employees in maintaining cargo integrity, recognizing potential internal threats to security and protecting access controls.</p> | | |
| 5.9 | Security requirements for trade partners/suppliers | | |
| 5.9.1 | Please provide a list of regular Trade partners (including the modes of transportation and nodes as well as storage facilities)? | | |
| 5.9.2 | Describe briefly how your company verifies the identity of trade partners to secure the supply chain (for example, information search before accepting orders or placing orders). | | |
| | <p>a) Which measures have you taken to confirm that your business partners ensure the security of their part of the international supply chain (e.g. security declarations, contractual requirements, trade partners with own AEO-status)?</p> <p>b) Describe briefly how is compliance with these procedures checked?</p> | | |
| 5.9.3 | <p>a) and security requirements incorporated into contractual arrangements with your trade partners or external suppliers, (e.g. Security guards, cleaning, and maintenance)? Yes/No</p> <p>Do you have safety</p> <p>b) and in accordance with the business model, describe briefly the procedures in place for business partners to demonstrate they are meeting the company's supply chain security requirements (e.g. through written or electronic confirmation; through contractual obligations; through a letter from a senior business partner officer attesting to their compliance; through a written statement</p> | | |

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| | <p>demonstrating their compliance with Customs supply chain security Programme (s); or by providing a completed supply chain security profile)?</p> | | | |
| <p>5.9.4</p> | <p>For trade partners who have obtained certification in a supply chain security Programme administered by the Customs administration of another country describe briefly the procedures in place to maintain documentary proof of the business partners' certification?</p> | | | |

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|-----------|---|--|--|--|
| 5.9.5 | Review of Trade Partners' Compliance to Security Requirements Have you established a system of reviewing relevant commercial information of the Trade partners relating to your contracting party before entering contractual relations? Yes/No If Yes, describe briefly the procedures in place to review business partners' compliance to security requirements? | | | |
| 5.9.6 | Over the last year, have you detected any breaches of the security agreements you have with partners? Yes/No. If Yes, what measures have you taken? | | | |
| 6 | Measurement, Analyses and Improvement Process | | | |
| 6.1 | Describe briefly the procedures in place: a) to conduct assessments of the security risks in business operations and take appropriate measures to mitigate those risks. b) to establish and conduct regular self-assessments of your security management system. c) for responsible parties identified to conduct regular self-assessments, review and implement recommendations for possible enhancements to ensure continued adequacy of the security management system. | | | |
| 7. | Consultation, co-operation and communication | | | |
| 7.1 | Describe any consultation, co-operation and communication you have with customs and other relevant government authorities? | | | |
| 7.2 | Do you have clearly identified and readily accessible local points of contact or a corporate contact that can arrange immediate access to a local contact for all matters identified as being of compliance and enforcement interest to Customs (cargo bookings, cargo tracking, employee information, etc.)? Yes/No If Yes, please describe briefly. | | | |
| 7.3 | Do you have cooperation with Customs and other relevant government regulatory in exchanging of exclusive information? Yes/No If Yes, please describe briefly | | | |
| 7.4 | Do you have internal notification procedures? as set forth set forth in the national customs authority, to an appropriate Customs official of any unusual or suspicious cargo documentation or abnormal requests for information on shipments? Yes/No If Yes, describe briefly | | | |
| 7.5 | provide your experience in timely notification to Customs and any other relevant authorities when employees discover illegal, suspicious or unaccounted - for cargo (Such cargo should be secured, as appropriate). | | | |

ANNEX 3: AFO APPLICATION AND AUTHORISATION PROCESS



