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AUTHORISED ECONOMIC OPERATORS
GUIDELINES ON STANDARDS AND CRITERIA

Introduction

This document provides explanatory notes on requirements for receiving the AEO status pursuant to article 5a (2) of Regulation (EC) no. 648/2005 and the relevant articles of the implementing regulation. To provide a comprehensive approach the criteria are based on the COMPACT¹ framework, establishing requirements to assess risks for the implementation of customs regulations. Additionally a new section for safety and security standards has been added.

In the development of the AEO requirements, the WCO SAFE Framework, existing security standards for maritime and air transport and the ISO/PAS standard 28001 has been studied and where possible integrated. In the EU developments of security regulations are the relevant Commission closely working together to avoid unnecessary duplication of requirements for operators concerning maritime, air cargo and inter modal transport. In this way requirements can be compatible enabling the authorities to recognise each others 'security certifications' in order to ensure requirements for customs legislation and security within the concept of an end-to-end supply chain.

These guidelines are providing a list of points of attentions to be taken into account in the logistical business processes of the operators, covering their parts of the international supply chain. Risk analysis of an operator and the consequent control/audit plan are important steps in the further development of the AEO framework and in the context of application for authorizations for customs procedures. Based on the different competencies national customs authorities may have, Member States have to identify the need for involvement of other government agencies to gather the appropriate information.

The ultimate goal must be to define common standards for EU economic operators, achieving that the granting of the status of AEO in one Member State can be recognized by the other EU Member States.

The international supply chain

The international end-to-end supply chain represents the process from manufacturing goods until delivery of the goods to the ultimate user, including import and export of goods. For securing the international supply chain customs administrations should not only focus on inbound cargo and the related controls but should aim at securing the whole supply chain. All efforts for securing the supply chain should not only provide better protection but enhance more consistent logistical business processes leading to a smoother flow of goods.

The different operators in the supply chain are dependent on the security procedures of their business partners in order to ensure the security of the goods in their custody and to maintain their "secure-status" as an Authorised Economic Operator. An AEO shall, where necessary encourage its business partner(s) to enhance supply chain security as well and ensure commitment through the contractual agreements. In return the AEO must retain documentation demonstrating his efforts to ensure supply chain security for his part of the international supply chain.

This document provides a complete set of criteria to be fulfilled by an economic operator for receiving the status of AEO. However, in the international supply chain there are different stakeholders which have, according to their business processes, different responsibilities. To assess the operator's supply chain security capabilities, different sets of criteria have to be fulfilled

¹ Compliance and Partnership between Customs and Trade. A CUSTOMS2002 project on best practice on risk assessment and accreditation on economic operators, TAXUD/1030/2003.

depending on the operator's responsibility. The different kind of economic operators and their different responsibilities in the international supply chain, relevant from a customs perspective, are therefore described below.



Manufacturer

- Ensure a safe and secure manufacturing process for its products.
- Ensure a safe and secure supply of its products to its clients.

Exporter

- Apply the legal exit formalities in accordance with the customs rules, including commercial policy measures and where appropriate, export duties.
- Ensure a secure and safe supply of the goods.

Forwarder

- Apply the legal transport formalities in accordance with customs rules.
- Ensure a secure and safe transport of goods, in particular avoiding unauthorized access to and tampering with the means of transport and the goods being transported.

Warehouse keeper

- Ensure that while the goods are in a customs warehouse they are not removed from customs supervision.
- Fulfil the obligations that arise from the storage of goods covered by the customs warehousing procedure.
- Comply with the particular conditions specified in the authorization for the customs warehouse.

- Provide adequate protection of the storage area against external intrusion.
- Provide adequate protection against unauthorized access to, substitution of and tampering with the goods.

Customs Agent

- Apply the necessary legal formalities in accordance with customs rules, for placing the goods under a customs procedure.

Carrier

- Ensure a secure and safe transport of goods, in particular avoiding unauthorized access to and tampering with the means of transport and the goods being transported.
- Provide necessary transport documentation.
- Apply the necessary legal formalities in accordance with customs law.

Importer

- Apply the necessary legal formalities in accordance with customs rules relevant to the import of goods.
- Ensure a secure and safe receipt of goods, in particular avoiding unauthorized access to and tampering with the goods.

THE CRITERIA

Article 5a of Regulation (EC) No 648/2005², the so-called "Security Amendments of the Community Customs Code" provides for the granting of the status of AEO to reliable traders that fulfil the criteria laid down in Article 5(a), (2). The status of AEO shall be recognised by the customs authorities in all Member States; under certain conditions, which are to be laid down in the Customs Code Implementing Provisions

The AEO subgroup has elaborated in more details the criteria laid down in article 5(a), (2):

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

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

² OJ L 117, 4.5.2005, p. 13

Section I. Company's information

This section is a listing of information necessary for the customs authority to provide itself a "picture" of the company and the company's activities. Some of this information may already be available if the company has already received customs authorizations.

Sub-Section 1.01 Organisational characteristics

1.01.	Indicator	Risk description	Points for attention
1.	Date and place of registration	If registration is from a recent date Customs will not have information on the operator's history, which could lead to more controls.	a) Date and place of registration of the company. b) When did the company started it's business.
2.	Operator's statute	Concentrated ownership can influence the reliability of the information from the operator to customs.	a) The company's legal form. b) Has the company a concentrated ownership?
3.	The share capital and shareholders, owners and legal representatives	The owner can influence the (provision of) information to the customs authorities.	a) Provide an overview of the principle owners/shareholders and legal representatives of the company, stating names and addresses and their proportional interests. ³ b) Provide an overview of the members of the board of directors of the company.
4.	Trade sector	<ul style="list-style-type: none"> ▪ Shortage of transparency of the accounting system. ▪ Omission of the connection between the flow of goods and the flow of money With manufacturing companies the reconciliation between the flow of goods and the flow of money can be difficult to equate. ▪ A diverse range of activities could increase potential for errors or omissions. 	a) Describe the company activities. b) What is the typology of the company (service company, manufacturing company, trading company)?

³This question should be considered in relation to the described risk. Only owners/shareholders that have a direct influence on the decision making in the company are relevant.

1.01.	Indicator	Risk description	Points for attention
5.	Number of sites and subsidiaries	<ul style="list-style-type: none"> ▪ Non-transparency of transactions. ▪ Non-transparency of the flow of goods and/or the flow of money. ▪ Multiple locations could increase the potential for errors. ▪ Affiliated transactions. 	<p>a) Specify the location details of the various sites and/or subsidiaries of the company and briefly describe the company's activities in each site/subsidiary.</p> <p>b) Specify if the company and each site/subsidiary acts within the supply chain in its own name and on its own behalf, or if it acts in its own name and on behalf of another person or company or if it acts in name of and on behalf of another person or company.</p> <p>c) Specify whether goods are bought from and/or supplied to companies affiliated with the applicant's company.</p>

Sub-Section 1.02 Internal organisation

1.02.	Indicator	Risk description	Points for attention
1.	Internal organisation	<ul style="list-style-type: none"> ▪ Limited control of the companies' activities. ▪ Lack of segregation of duties between functions. ▪ Lack of adequate cover when key personnel are absent. 	<p>a) Specify the internal structure of the organisation.</p> <p>b) Has the company documented the functions/competencies for each department and/or function?</p> <p>c) Specify how many employees there are in your company, in total and for each department.</p> <p>d) Give the names of the key office-holders working in your company (managing director, divisional heads, accounting manager, finance manager, head of customs routines etc.).</p> <p>e) Describe the adopted routines covering the situation that the competent employee is not present, temporary or permanent?</p>
2.	Appropriate level of knowledge of customs procedures	<ul style="list-style-type: none"> ▪ Lack of knowledge about customs regulations, customs legislation, customs procedures, and customs routines including non-fiscal aspects. ▪ Lack of internal training could indicate a bad compliance attitude of the company. 	<p>a) Give the names and the position within the organisation of the persons that have specific customs expertise (fiscal and non-fiscal aspects).</p> <p>b) Asses the level of knowledge of the above-mentioned persons in regards of the use of IT technology in customs and commercial processes and general commercial matters, such as the labeling of goods.</p>

Sub-Section 1.03 Volume of business

1.03.	Indicator	Risk description	Points for attention
1.	Annual turnover (general)	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	What's the amount of the annual turnover (general) of the last 3 year(s)?
2.	Profits and losses	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	What's the amount of the profits and losses of the company of the last 3 year(s)?
3.	Stock capacity	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	What is the capacity of the storage facility? What percentage of the storage capacity is used?
4.	Purchases (foreign trade).	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate (per supplier if relevant) of the volume (in terms of quantity and money) of the purchases expected in the next 2 years. State in this overview the types of items, the description of the items and the country of origin.
5.	Purchases received in customs or fiscal warehouse	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate (per supplier if relevant) of the volume (in terms of quantity and money) of the goods received in customs or fiscal warehouse expected in the next 2 years. State in this overview the types of items, the description of the items and the country of origin.
6.	Goods used in the production process	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate of the volume (in terms of quantity and money) of the goods used in the production process expected in the next 2 years. State in this overview the item numbers and the description of raw materials and semi-manufactured articles and the country of origin.
7.	Outcome of the production process	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate of the outcome of the production process (in terms of quantity and money) expected in the next 2 years. State in this overview the types of items, the description of the items and the country of destination.
8.	Sales (foreign trade)	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate (per buyer if relevant) of the volume (in terms of quantity and money) of the sales expected in the next 2 years. State in this overview the types of items, the description of the items and the country of destination.
9.	Sales (foreign trade). Removed from customs or fiscal warehouse	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	Provide an estimate (per buyer if relevant) of the volume (in terms of quantity and money) of the goods removed from the customs warehouse expected in the next x years State in this overview the types of items, the description of the items and the country of destination.

Sub-Section 1.04 Statistics on customs matters

1.04.	Indicator	Risk description	Points for attention
1.	Tariff classification	Incorrect classification of the goods. Incorrect duty rate.	In what way and by whom are the goods classified (Tariff of goods, excise category, other levies)? Is there a separate file in which each article number is linked with a commodity code? If so, how and by whom is this file maintained. Does this file also contain the current rate? If so, who maintains this? What are the routines for classification of goods/new products? Provide an overview of all relevant article numbers in relation with the commodity code and rates (VAT, excise, import duty, CAP-goods). Provide a list of the operator's support (such as library of handbook) for classification.
2.	% of import duties	Use of low duty tariff codes.	Provide an overview of the relevant rates linked with the goods codes (see also 1.04.1).
3.	% of VAT	Use of a low VAT tariff.	Provide an overview of the relevant rates linked with the goods codes (see also 1.04.1).
4.	% of excise	Use of low excise tariff codes.	Provide an overview of the relevant rates linked with the goods (see also 1.04.1).
5.	CAP (duties and refunds)	Use of low duty/high refund tariff codes.	Provide an overview of the relevant rates linked with the goods codes (see also 1.04.1).
6.	Preferential measures	Use of incorrect origin or incorrect tariff code.	Do preferential measures exist regarding to the goods the company deals with.
7.	Antidumping duties	Use of incorrect tariff code or incorrect supplier.	Provide an overview of the relevant anti-dumping duties linked with the goods codes and manufacturer (see also 4.1).
8.	Origin / provenance of goods	Abuse of preferential tariffs. Avoid restrictions by use of wrong origin indication.	Provide an overview of the origin of the goods declared for import. Provide an overview of goods/article (numbers) in which the company appeals to preferential tariffs. What are the routines for checking the correctness of country or origin of import goods? What are the routines for issuing proof of origin at export?

1.04.	Indicator	Risk description	Points for attention
9.	Customs/VAT value <i>Note: VAT only import and export related</i>	Incorrect customs value.	What are the routines to determine the customs and VAT value? What are the routines for declaring freight and insurance costs? In case of an agreement about the custom value (ruling) quote the reference and attach a copy of the ruling letter. The following aspects related to the customs value can be verified: <ul style="list-style-type: none"> ✓ The Inco terms used. ✓ Buyer and seller relationship in terms of the EC regulation and the influence the relationship may have on the price of the imported goods. ✓ Restrictions to the disposal of the goods by the buyer. ✓ If the sale or price is subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued. ✓ Royalties and license fees related to the imported goods payable either directly or indirectly by the buyer as a condition of sale. ✓ Arrangements under which part of the proceeds of any subsequent resale, disposal or use accrues directly or indirectly to the seller. ✓ Costs incurred by the buyer (but not included in the price) in respect of commissions or brokerage (except buying commissions) or of containers and packaging. ✓ Goods and/or services supplied by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods. ✓ Other costs than those associated with the delivery of the imported goods included in the price payable. ✓ In what way is the person who makes the declaration aware of possible costs not directly linked to a consignment?

Section II. Compliance record

Criteria:

An appropriate record of compliance with customs requirements

The applying economic operator, the persons in charge of the company or exercising control over its management, and, if applicable, the applicant's legal representative in customs matters and the person responsible in the company for customs matters have not committed a serious infringement or repeated infringements of customs rules over the last 3 years preceding the submission of the application. If the applicant has been established for less than 3 years, his compliance shall be judged on the basis of records and information that are available.

The applicant's compliance shall be judged on the basis of the records of the customs administration, including intelligence information and results of anti-fraud investigations. If the persons exercising control over the management of the applicant are established or located in a third country, their compliance shall be judged on the basis of records and information that are available.

Note: The information of the two following sub-sections can mainly be gathered by the customs authority itself, on the basis of information from various sources within the customs administration including national and international enforcement agencies.

Sub-Section 2.01 Compliance history as regards customs authorities and other relevant governmental authorities

2.01.	Indicator	Risk description	Points for attention
1.	Customs transactions	Irregularities in combination with a high volume of business can result in a high financial or non-financial risk.	<ul style="list-style-type: none"> • Total number of customs declarations over the last 3 years by type. • Total number of customs declarations expected over the next 2 years by type. • Customs offices involved. • Overview of the custom brokers/ agents (names, address, number) involved. • Details of Customs Duty, VAT (import-export related) Value and GSP sought, licences, quotas, antidumping, etc. over the last 3 years. • Overview of the origin of the goods declared for import. • Overview of goods in which the company seeks preferential tariffs. • Procedures involved for determining value of goods imported. • Specify the authorisations for simplified procedures and/or customs procedures.
2.	Compliance check ⁴	Non-compliant behaviour	Was the result of the last compliance check positive? If no, which measures has the company taken to avoid non-compliant behavior?

⁴ Compliance checks are for instance: audits, pre clearance checks, post clearance controls

2.01.	Indicator	Risk description	Points for attention
3.	(Former) Applications for authorisations	Non-compliant behaviour	Specify whether, in the last three years, a customs authorisation in the company's name has been revoked, suspended or whether an application for a customs authorisation did not lead to the issuing of a license, and if so what was the motivation of the customs administration.
4.	Customs compliance	Inadequate awareness of breaches against customs rules.	Has the company established procedures on disclosing irregularities to the relevant governmental agencies? For example a contact point could be appointed who can arrange immediate access to contact with the local customs authorities when matters are identified as being of compliance an/or enforcement interest for customs. Staff should be aware of these procedures. Describe the routines for handing over information to Customs where criminal activity is suspected?

Sub-Section 2.02 Intelligence information

2.02.	Indicator	Risk description	Points for attention
1.	Irregularities	Non-compliant behaviour	<p>a) Specify any fiscal and non-fiscal irregularities as regards customs law and procedures as well as other relevant legislative obligations in respect of the import, export and transport of goods.</p> <p>b) Has the company been the subject of anti-fraud investigations?</p> <p>c) Is there intelligence information on the company, its owners and or main shareholders or legal representatives from national and/or international enforcement organisations.?</p> <p>d) Is the company handling in specific high risk goods such as weapons, dual-use goods, excise goods or CAP goods? Compare to – when available - fraud patterns available in respect of these goods?</p>

Section III. The Company's Accounting and logistical system

Criteria:

A satisfactory system of managing commercial and where appropriate, transport records, which allow appropriate customs controls

The applying company should maintain an accounting system which is consistent with the generally accepted accounting principles applied in the Member State where the accounts are held and which will facilitate audit-based customs control.

To enable the customs authorities to apply the necessary controls, the company has to allow the customs authority physical or electronic access to the customs and, where appropriate, transport records. Electronic access is not a pre-requisite to comply with this requirement.

The applying company should have a logistical system which distinguishes between Community and non-Community goods, the fulfilment of this criterion is not needed in the case of an AEO Certificate - Security and Safety;

Sub-Section 3.01 Audit trail

In accounting, an audit trail is a process or an instance of cross-referring each bookkeeping entry to its source in order to facilitate checking its accuracy. A complete audit trail will enable to track the lifecycle of operational activities, in this respect related to the flow of goods and products coming in, being processed and leaving the company. Many businesses and organizations require an audit trail in their automated systems for security reasons. The audit trail maintains a historical record of the data that enables you to trace a piece of data from the moment it enters the data file to the time it leaves.

3.01.	Indicator	Risk description	Points for attention
1.	Trade sector	<ul style="list-style-type: none"> ▪ Shortage of transparency of the accounting system. ▪ A diverse range of activities could increase potential for errors or omissions. 	a) Describe the company activities. b) What is the typology of the company (service company, manufacturing company, trading company)?
2.	Level of access for competent administrations	<ul style="list-style-type: none"> ▪ Inability to readily undertake an audit due to the way in which the company's accounting system is structured. ▪ Lack of the control over the system's security and access. 	a) Customs authorities shall have access to the company's records for control purposes including pre-arrival and pre-departure information, as required. b) Is an audit trail for fiscal and/or customs purposes available?

Sub-Section 3.02 Accounting system

3.02.	Indicator	Risk description	Points for attention
1.	Computerised environment	<p>Complex management system offers possibilities to cover-up illegal transactions.</p> <p>Omission of the connection between the flow of goods and the flow of money.</p>	<p>Organisation of the company's computerised environment.</p> <p>The following elements should be included:</p> <ul style="list-style-type: none"> - The extent of the computerisation on the basis of the following scale: mainframe /mini/PC network or stand-alone PC. - The hardware platform available and the operating system running on it. - The separation of functions (between development, testing and operations) within the computer department (functions) organised. - The separation of functions between users and computerisation organised. - The separation of functions among users organised in the system. - How is access to the various parts of the system controlled? - Which applications have been accommodated elsewhere? - To which software house have these been assigned?

3.02.	Indicator	Risk description	Points for attention
2.	Integrated accounting system	<p>Incorrect and/or incomplete recording of transactions in the accounting system.</p> <p>Lack of segregation of duties between functions.</p> <p>Lack of reconciliation between stock and accounting records.</p>	<p>Are the financial accounts and the logistical accounts part of one integrated accounting system?</p> <p>Financial administration</p> <p>Give an outline description of the financial system. Incorporate the following elements in your description or in the answer to the following questions:</p> <ul style="list-style-type: none"> a) Specify which software package your company uses. b) Is this a bespoke or a standard package? c) Who is the manufacturer/supplier of the package? d) Have any adaptations been made to the standard package. If so, what adaptations have been made and for what reason? e) Where and by who is the financial administration carried out? f) Give a list of the ledger accounts that are used. g) Who checks whether the entries in the sub-administration match those in the ledger? h) Does the system make use of verification interim accounts? Who is responsible for the co-ordination of these verification interim accounts? If so, give an overview of the ledger accounts with descriptions of where this registration takes place. i) Are the liabilities to import duty/excise recorded in the ledger in an intra-accountable manner? If so, give an overview of the ledger accounts with descriptions of where this record takes place. j) Can non-community goods suppliers be distinguished from community goods suppliers? <p>Logistical administration</p> <ul style="list-style-type: none"> a) Which software package the company is using?. b) Is this an in-house or a standard package? c) Who is the manufacturer/supplier of the package? d) Have any adaptations been made to the standard package. If so, what adaptations have been made and for what reason. e) Where and by whom is the logistical administration carried out? f) Is there a separation between the office stock and the warehouse stock administration? g) Is there a batch administration. h) What are the units in which the logistical administration is carried out. i) Is the stock administration linked up with the financial administration in an automated fashion? If not, what is the interface between the stock administration and the financial administration? j) How can the non-community goods or goods subject to customs control in the logistical administration be distinguished from the community goods

Criteria:

A satisfactory system of managing commercial and where appropriate, transport records, which allow appropriate customs controls

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

The applicant shall have, where applicable satisfactory procedures in place for the handling of licenses and authorisations connected to commercial policy measures or to the trade in agricultural products.

Sub-Section 3.03 Internal control system

3.03.	Indicator	Risk description	Points for attention
1.	Internal control procedures	<ul style="list-style-type: none"> ▪ Incorrect and/or incomplete recording of transactions in the accounting system. ▪ The use of incorrect or outdated standing data, such as article numbers and tariff codes. 	<p>a) Have guidelines been issued within the company by the board of directors, which employees within the purchase, storage, production and sale processes must abide by. If so, have these guidelines been registered?</p> <p>b) Give an overview of the guidelines laid down.</p> <p>c) Does the company use ISO standards?</p> <p>d) Are guidelines regularly updated and reviewed?</p> <p>Internal assessment</p> <p>a) Describe in outline the internal procedures which are aimed at assessing the existence and operation of the administrative organisation and internal controls (henceforth: AO/IC) in relation to the flow of goods. If findings have been reported in the framework of this assessment in the last three financial years, provide an overview of those findings and of the measures that have been taken to improve matters.</p> <p>Standing data</p> <p>a) Describe the procedures concerning the change of standing data (master files) which are relevant for customs (for instance standing files of creditors, article numbers, commodity codes and statistical numbers).</p> <p>b) Who/which department(s) is (are) responsible for these?</p> <p>c) In what way are adjustments archived?</p> <p>d) In what way are permanent (standing) data stored in digital form?</p> <p>e) Is a record being kept of permanent (standing) data?</p>

3.03.	Indicator	Risk description	Points for attention
2.	Internal control procedures specifically for production	<ul style="list-style-type: none"> ▪ Inadequate control within the company over the business processes. ▪ No or weak internal control procedures offer possibilities for fraud, unauthorized or illegal activities. 	<ul style="list-style-type: none"> a) Is the production function separate from the purchase function, the sale function and the administration? b) Does it involve a direct or indirect determination of use? c) Who/which department performs the re-calculation and on the basis of what data? d) Is there-calculation drawn up for each period or for each production run? e) Describe the discrepancy settlement procedure regarding the pre- and re-calculation. By whom is this carried out? f) Who enters what data in the supply and financial administration in relation to the supplies, which have been deployed in the production process? On what basis are these carried out? g) In what way are production results processed in the financial administration? h) What kind of journal entries does the production process give rise to?

Sub-Section 3.04 Flow of goods

3.04.	Indicator	Risk description	Points for attention
1.	General	Lack of control over stock movements offers possibilities to add dangerous and/or terrorist related goods to the stock and to take goods out of stock without appropriate registration.	<ul style="list-style-type: none"> a) Are internal goods movements recorded and are the connections between the different steps in these internal goods movements established? If so, with what frequency and by whom? b) Is this done in quantities and/or in money? c) Who analyses these goods movements and how often? d) Who authorizes the processing of the deviations established? e) Which standards are being applied in this connection?
2.	Incoming flow of goods	<ul style="list-style-type: none"> ▪ Lack of reconciliation between goods ordered, goods received and entries to accounting records. ▪ Lack of control over stock movements offers possibilities to add dangerous and/or terrorist related goods to the stock and to take goods out of stock without appropriate registration. 	<ul style="list-style-type: none"> a) Purchase and receipt procedures for goods imported from non-Community Countries. b) How (on the basis of which documents), when and by whom are imported goods entered in the stock administration system? c) At which point in time is the entry booked in the stock? d) Accounting systems associated with purchasing, receipt and payment of goods e) Arrangements for returning goods. f) Arrangements for intake deviations. g) Arrangements for incorrect entries in the stock administration. h) Details of inventory procedures.

3.04.	Indicator	Risk description	Points for attention
3.	Storage	<ul style="list-style-type: none"> ▪ Lack of control over stock movements. ▪ Lack of control over stock movements offers possibilities to add dangerous and/or terrorist related goods to the stock and to take goods out of stock without appropriate registration. 	<p>a) Does the company have appropriate procedures in place to control the goods in stock?</p> <p>Such procedures can – amongst others – be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ a clear assignment of a location for storage of the goods; ✓ existence of a stock-taking procedure; ✓ procedures in case a temporary location is chosen to store the goods; ✓ arrangements for controlling breakage, decay or destruction of goods.
4.	Production	<ul style="list-style-type: none"> ▪ Lack of control over stock used in the manufacturing process. ▪ Lack of control over stock movements offers possibilities to add dangerous and/or terrorist related goods to the stock and to take goods out of stock without appropriate registration. 	<p>Identify if the company has appropriate procedures in place to control the manufacturing processes.</p> <p>a) Describe the procedure as regards the request for raw materials and the delivery from the warehouse.</p> <p>b) Describe the procedure as regards logging the use of the raw materials in the production process.</p> <p>c) Describe the procedure as regards the registering of the finished manufactured product.</p> <p>d) Describe the procedure as regards losses in the production process.</p> <p>e) Describe the procedure as regards the release of the finished product to the warehouse.</p> <p>Such procedures can – amongst others - be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ A department which is responsible for the assignment for production. ✓ The people responsible for the assignment for production register this in the administration. ✓ Use of standard manufacturing methods in the production. ✓ Appropriate documentation of the manufacturing methods. ✓ Regular control of the manufacturing methods. ✓ End products should be subjected to a quality inspection. ✓ Inspection results should be registered.

3.04.	Indicator	Risk description	Points for attention
5.	Outgoing flow of goods Delivery from warehouse and shipment and transfer of goods	<ul style="list-style-type: none"> ▪ Lack of control over stock movements offers possibilities to add dangerous and/or terrorist related goods to the stock and to take goods out of stock without appropriate registration. ▪ Lack of reconciliation between stock records and entries to the accounting records. ▪ Failure to make appropriate voluntary disclosures. 	<p>Identify if the company has appropriate procedures in place to control the release of goods from the warehouse and the shipment of goods.</p> <p>Such procedures can – amongst others – be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ Sales department informs – on the basis of standardized procedures - the warehouse of the sale order/release of the goods. ✓ Persons are appointed as authorized to decide if the goods are ready for sale/release. ✓ Release of the goods is appropriately registered. ✓ A standardized information procedure between the warehouse keeper and the company's unit/department responsible for customs matters, to enable internal synchronization of the delivery of goods and starting of the export procedure. ✓ A final check before release to compare the order of release against the goods which are loaded. ✓ Standard operating procedures for returned goods – inspection, counting and registering.

Sub-Section 3.05 Customs routines

3.05.	Indicator	Risk description	Points for attention
1.	General	Ineligible use of the routines	Describe the details of handling routines of Customs declarations/accompanying documents. There should be Internal procedures to verify customs transactions conducted by direct and or indirect representatives (e.g. customs agents or forwarders).
2.	Economic licenses for import and/or export	Ineligible use of goods	<p>Identify if the company does trade with goods that are subject to import licences; export restrictions and/or goods that are subject to an embargo. If that is the case there should be appropriate routines and procedures in place for administering the licences related to the import and/or export of goods.</p> <p>Such procedures can – amongst others – be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ Registration of the licenses by on the basis of standard procedures. ✓ Regular control of the licenses on validity and registration. ✓ Registration of the licenses is done be a separate person or a group of persons than the control of the licenses. ✓ Standards for reporting irregularities with the licenses.

A satisfactory system of managing commercial and where appropriate, transport records, which allow appropriate customs controls

The applicant shall have satisfactory procedures in place for the archiving of the company’s records and information and for protection against the loss of information.

The applicant shall maintain anti-smuggling measures and raise awareness among the staff in particular upon employment and during training;

The applicant shall have appropriate information technology security measures – for example firewalls and anti-virus protection - to protect the applicant’s computer system from unauthorised intrusion and to secure the applicant’s documentation.

Sub-Section 3.06 Procedures as regards back- up, recovery and fall- back and archival options

3.06.	Indicator	Risk description	Points for attention
1.	Requirements for record retention/archiving	<ul style="list-style-type: none"> ▪ Inability to readily undertake an audit due to the way in which the company’s accounting system is structured. ▪ Deliberate destruction or lost of relevant information 	<p>Give a description of procedures regarding back-up, recovery and fall-back option, taking account of the following questions – where applicable.</p> <ul style="list-style-type: none"> ✓ How long does data remain available on-line, in its original form? ✓ How long does data remain accessible on-line, and how long does it remain available for an archive/history or statistical summary. ✓ How long is data kept on record off-line? ✓ On what kind of media is data stored. ✓ In which (software) format is data stored. ✓ Does data get compressed and at what stage. ✓ What are the guarantees as regards the long-term availability (technical quality of the recording media, availability of the hardware and program code, descriptions of the data and the program code)

Sub-Section 3.07 Information security – protection of computer systems

3.07.	Indicator	Risk description	Points for attention
1.	Certification standards for securing computerised environment	Unauthorized access and/or intrusion to the economic operator's computer systems.	Are any existing certification standards applied for securing computer systems?
2.	Internal control procedures	<ul style="list-style-type: none"> ▪ Unauthorized access and/or intrusion to the economic operator's computer systems. ▪ Deliberate destruction or lost of relevant information. 	<p>a) What measures are in place to protect the economic operators' computer systems against unauthorized intrusion?</p> <p>b) Has any penetration test been made with positive results? If no, the company should do these tests to show the security of their system.</p> <p>Such procedures can – amongst others – be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ An updated, documented policy on protection of the company's computer systems; registered access for authorized persons; regular change of passwords; monitoring systems etc. ✓ An updated safety plan describing the measures in place protecting computer systems from unauthorised access as well as deliberate destruction or lost of information.
3.	Computerised environment	<ul style="list-style-type: none"> ▪ Unauthorized access and/or intrusion to the economic operator's computer systems. ▪ Deliberate destruction or lost of relevant information. 	<p>a) What policy/procedures exist for issuing authorizations for access and the level of access to the computer systems? Access to sensitive information should be limited to the staff members who are authorized to apply changes and additions to the information.</p> <p>b) Who is responsible for the protection and running of the company's computer system? Responsibility should not be limited to one person only but to several persons who are able to monitor each others actions.</p>
4.	Contingency plan	<ul style="list-style-type: none"> ▪ Unauthorized access and/or intrusion to the economic operator's computer systems. ▪ Deliberate destruction or lost of relevant information. 	The company should have an action plan with procedures in case of incidents.
5.	Routines in case of computer failure	<ul style="list-style-type: none"> ▪ Unauthorized access and/or intrusion to the economic operator's computer systems. ▪ Deliberate destruction or lost of relevant information. 	The company should have back-up routines when computer systems don't work. There should also be procedures on bringing the information in the computer systems when they operate again.

Sub-Section 3.08 Information security – documentation security

3.08.	Indicator	Risk description	Points for attention
1.	Internal control procedures	<ul style="list-style-type: none"> ▪ Misuse of the economic operator's information system to endanger the supply chain. ▪ Deliberate destruction or lost of relevant information. 	<p>a) What measures are in place to protect the economic operators' documentation against unauthorized intrusion?</p> <p>b) Has any penetration test been made with positive results? If no, the company should do these tests to show the security of their system.</p> <p>Such procedures can – amongst others – be comprised of the following measures:</p> <ul style="list-style-type: none"> ✓ An updated, documented policy on documentation security: registration methods of document, access authorisations, back-up of documents etc. ✓ An updated safety plan describing the measures in place protecting documents from unauthorised access as well as deliberate destruction or lost of documents. ✓ Procedures on filing and storage of documents.
2.	Contingency plan	<ul style="list-style-type: none"> ▪ Misuse of the economic operator's information system to endanger the supply chain. ▪ Deliberate destruction or lost of relevant information. 	Identify if during the last year incidents have occurred and what type of measures have been taken as a result thereof to improve the information/documentation security;
3.	Authorisation level for staff categories	<ul style="list-style-type: none"> ▪ Misuse of the economic operator's information system to endanger the supply chain. ▪ Deliberate destruction or lost of relevant information. 	Which staff categories have access to particulars concerning goods and information flows? Which staff categories are authorised to change these particulars?
4.	Safety and security requirements imposed on others	<ul style="list-style-type: none"> ▪ Misuse of the economic operator's information system to endanger the supply chain. ▪ Deliberate destruction or lost of relevant information. 	What security requirements have you placed on your trade partners and other contacts handling sensitive information provided by you?

Section IV. Financial solvency

Criteria:

Proven financial solvency

The condition relating to the financial solvency of the applicant referred to in Article 5a (2), third indent, of Regulation (EC) No. 648/2005 is considered met, if his solvency can be proven for the past 3 years. Solvency, for the purposes of this Article, shall mean a good financial standing which is sufficient to fulfil the commitments of the applicant, with due regard to the characteristics of the type of the business activity.

If the applicant has been established for less than 3 years, his financial solvency shall be judged on the basis of records and information that are available.

Sub-Section 4.01 Insolvency

4.01.	Indicator	Risk description	Points for attention
1.	Insolvency	Non-compliant behaviour	Check and analyse the balance and financial movements of the company to analyse the company's ability to pay their legal debts. In most time the banking relation of the company will be able to report on the financial solvency of the company. In case the operator is subject to any insolvency or recovery proceedings, information should be gathered on the circumstances, which have led to the initiation of the recovery proceedings, as well as on the amounts due. It has to be analysed if the insolvency can effect in a negative way the compliance of the company and its business processes.

Section V. Safety and security requirements

Sub-Section 5.01 Security assessment conducted by the economic operator (self assessment)

The operator should demonstrate in its policy a high-level of awareness on security and safety measures, internally and in its business activities with clients, suppliers and external service providers. In preparation of the pre-audit of customs authorities the operator can do a self assessment to enable himself to analyse if the company is able to meet the security requirements. The assessment is an attempt to identify the risks and threats which might occur in that part of the supply chain in which the company is operating, and to look into the measures in place to minimise the risks and threats.

5.01.	Indicator	Risk description	Assessment questions
1.	Self assessment	Inadequate safety and security awareness	What kind of safety and security risks or dangers have you identified?
2.	Internal organisation	Inadequate coordination about safety and security within the company	How are safety and security measures coordinated within your company? Indicate which person and/or unit of your company is responsible for this coordination.
3.	Internal control system	Inadequate control within the company over safety and security issues	Are there any existing documented security routines and how are they communicated to the personnel and other people visiting your company?
4.	Internal control procedures	Incorrect and/or incomplete registration of safety and security incidents. Absence of appropriate countermeasures to safety and security incidents.	During the last year what type of incidents have occurred and what type of measures have resulted thereof? Does the threat assessment cover these types of incidents or not? What procedures exist for registering and reporting of incidents?
5.	Certification for safety and security purposes by others	Inadequate safety and security measures	Have you already been certified by another public agency or public body for (transport) security purposes?
6.	Safety and security requirements specific to goods	Inadequate implementation of safety and security requirements	Are there particular security and safety requirements for the goods you are importing/exporting?
7.	Threat assessment by others	Inadequate safety and security awareness	If you are making use of the services of a security company; has this company made a threat assessment of your company?
8.	Security requirements imposed by others	Inadequate safety and security measures	Does your insurance company impose security requirements on you? Have your customers imposed security arrangements on you?

Criteria:

Appropriate security and safety standards, where applicable:

Buildings are constructed of materials, which resist unlawful entry and provide protection against unlawful intrusion.

Appropriate access control measures are in place to prevent unauthorised access to shipping areas, loading docks and cargo areas.

Sub-Section 5.02 Entry and access to premises

5.02.	Indicator	Risk description	Points for attention
1.	Routines for access or entry of vehicles, persons and goods	Unauthorized access or entry of vehicles to the premises and/or close to the loading and shipping area.	Identify the access control system in place. Only properly identified and authorized persons, vehicles and goods are permitted to access the premises.
2.	Standard operating procedures in case of intrusion	No proper action if intrusion has been discovered.	The company should have established procedures to respond when an unauthorized intruder has been discovered on the premises (e.g. contact local policy authority, involvement of internal security staff).

Sub-Section 5.03 Physical security

5.03.	Indicator	Risk description	Points for attention
1.	External boundaries of premises	Inadequate protection of the premises against external intrusion.	How are the external boundaries of the premises secured? All buildings should be constructed of materials which resist unlawful entry and protect against external intrusion. All external and internal windows, gates and fences must be secured with locking devices or alternative access monitoring or control measures such as internal/external anti-burglar alarm systems or CCTV (close circuit TV systems)
2.	Gates and gateways	Existence of gates or gateways which are not monitored.	Identify all gates or gateways at the premises. When the gates or gateways are not locked they should be manned or guarded with alternative access monitoring or control measures.
3.	Locking devices	Inadequate locking devices for external and internal doors, windows, gates and fences.	What kinds of locks are inner and outer doors, windows and gates equipped with?
4.	Procedures for access to keys	Unauthorized access to keys.	There should exist procedures for access to the keys. Only a limited number of persons should be authorised to have access to the keys. Keys should be kept in a specially appointed place. A person should be kept responsible for the keys. There should exist a method of registering of who is using the when they were taken and by whom and when they are brought back to the appointed place.
5.	Internal physical security measures	Inappropriate access to internal sections of the premises.	Are there internal physical security measures? Only properly identified and authorized persons should have access to internal sections of the premises.
6.	Parking of private vehicles	Inadequate protection of the premises against external intrusion	The company should have monitoring procedures in place to avoid parking of private vehicles close to secured areas of the premises.
7.	Standard operating procedures in case of intrusion	No proper action if unauthorized access or tampering has been discovered.	The company should have appropriate procedures laid down on what measures should be taken when an unauthorized access or intrusion is discovered.

5.03.	Indicator	Risk description	Points for attention
8.	Maintenance external boundaries and buildings	Inappropriate maintenance of the external boundaries of the premises and the buildings.	The external boundaries and buildings should be regularly checked either by a specially appointed person or by a third party. If a third party is responsible for checking and maintenance of the external boundaries and buildings, they have to report to staff member of the company who is appointed for controlling maintenance works on the external boundaries and buildings.

Criteria:

Appropriate security and safety standards, where applicable:

Measures for the handling of goods shall include protection against the introduction, exchange or loss of any material and tampering with cargo units.

Where applicable, procedures are in place for the handling of import and/or export licenses connected to prohibitions and restrictions and, appropriate measures are in place to distinguish these goods from other goods.

Sub-Section 5.04 Cargo units

5.04.	Indicator	Risk description	Points for attention
1.	Routines for access to cargo units	Unauthorized access to cargo units.	Only properly identified and authorized persons should have access to the cargo units.
2.	Routines for ensuring the integrity of cargo units	Tampering with cargo units.	The integrity of cargo units should be ensured by placing them under permanent monitoring or keeping them in a safe, locked area.
3.	Procedures for inspecting the structure of the cargo unit	Use of hidden places in cargo units for smuggling purposes.	When appropriate to the type of cargo unit used a seven-point inspection process is recommended: <ul style="list-style-type: none"> ○ Front wall ○ Left side ○ Right side ○ Floor ○ Ceiling/Roof ○ Inside/outside doors ○ Outside/undercarriage
4.	Standard operating procedures in case of intrusion and/or tampering with cargo units	No proper action if unauthorized access or tampering has been discovered.	The company should have appropriate procedures laid down on what measures should be taken when an unauthorized access or tampering is discovered.
5.	Ownership of cargo units	To have incomplete control of the cargo units.	Does the company have ownership of the cargo units? If the company does not have ownership of the cargo units, procedures should be in place to examine the integrity of the cargo unit before loading. The inspection process mentioned under 5.04.3 should be mandatory for personnel.
6.	Maintenance of cargo units	Tampering with cargo units.	Is the maintenance of the cargo units done at the premises or externally? Maintenance should be done routinely not only in case of damage or incidents. If the maintenance is done externally or not under supervision of companies staff the cargo unit's integrity should be inspected when returning to the company.

Sub-Section 5.05 Logistical processes

5.05.	Indicator	Risk description	Points for attention
1.	Means of transport	Lack of control over the transport of goods.	Identify which means of transport are normally used by the company, indicate also if the transport by the company itself or external forwarders. If the latter is the case the company should use forwarders on a regular basis, preferably there should be long-term contracts with transporting companies. Identify if the transporter is member of a secure transport program, if not how is the security ensured.

Sub-Section 5.06 Non-fiscal requirements

5.06.	Indicator	Risk description	Points for attention
1.	Non-fiscal aspects	Ineligible use of goods	<p>Does the company trade in goods that are subject to import licenses? Does the company trade in goods that are subject to export restrictions? Does the company trade in dual-use goods? Does the company trade in goods that are subject to an embargo?</p> <p>Where appropriate the company should establish routines:</p> <ul style="list-style-type: none"> ○ to distinguish goods subject to non-fiscal requirements and other goods ○ to check if the operations are carried out in accordance with current (non-fiscal) legislation. ○ attached to the handling of goods subject to an embargo. ○ attached to the handling of licenses. ○ regarding other goods that are subject to restrictions. ○ to identify potential dual-use goods and routines attached to the their handling. .

Sub-Section 5.07 Incoming goods

5.07.	Indicator	Risk description	Points for attention
1.	Routines for checking incoming transport	Reception of goods that pose a safety or security risk.	<p>Where appropriate the company should establish routines:</p> <ul style="list-style-type: none"> ○ Appointing staff responsible of receiving the driver and the goods at arrival. ○ Registration of the transport documents and customs papers accompanying the goods. ○ Comparing the goods with the accompanying transport documents and customs papers. ○ Registration of the completion and results of the checks. ○ To inform the customs authorities informed on arrival of the goods to enable customs to perform controls of the shipments in time. ○ To inform the purchase department and the administration on the receipt of goods.
2.	Routines for verifying security measures imposed on others	Breach of agreed security arrangements with the risk of reception of unsafe or insecure goods.	When there exist arrangements on security measures with domestic and foreign suppliers, staff should be aware of these arrangements and routines should be established to verify the commitments to these arrangements.
3.	Supervision for the reception of goods	Reception of goods that pose a safety or security risk.	It should not be possible to deliver goods in an unsupervised area. The company should identify procedures avoiding the situation that goods are left unsupervised?
4.	Level of safety and security awareness of personnel	Lack of proper knowledge on security with the consequence of accepting unsafe or insecure goods.	The company should on a regular basis inform the staff of security measures and/or security arrangements to ensure the safety and security awareness of personnel.
5.	Sealing of incoming goods	Reception of goods that pose a safety or security risk.	At reception of the goods, the integrity of seals should be checked. Where appropriate the company should have routines to seal incoming goods.
6.	Uniform marking of goods	Reception of goods that pose a safety or security risk.	Incoming goods should be uniformly marked or stored in designated area(s).
7.	Weighing and tallying of goods	Reception of goods that pose a safety or security risk.	Where appropriate, the company should establish routines to weigh and tally incoming goods.
8.	Administrative processes of the reception of goods	Reception of goods that pose a safety or security risk.	<p>The company should establish administrative procedures of the reception of goods:</p> <ul style="list-style-type: none"> ○ How (on the basis of which documents), when and by whom are the goods received entered in the stock administration. ○ Checking of the goods against loading lists and purchase orders. ○ Registration of the goods in the stock, as soon as possible after arrival of the goods. ○ The pricing system of which supplies and adjustments registered (e.g. according to a

			permanent settlement price, FIFO system)?
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5.07.	Indicator	Risk description	Questions
9.	Internal control procedures	No proper action if discrepancies and/or irregularities are discovered.	Internal control procedures should be in place when discrepancies and/or irregularities are discovered. There should exist a separation of functions between the ordering of the goods (purchase), receipt (warehouse), the entering of the goods in the system (administration) and the payment of the invoice.

Sub-Section 5.08 Storage of goods

5.08.	Indicator	Risk description	Points for attention
1.	Assignment of storage location	Inadequate protection of the storage area against external intrusion	An area or areas should be designated for the storage of goods
2.	Internal control procedures	No proper action if discrepancies and/or irregularities are discovered.	There should be procedures in place concerning regular stocktaking. There should be procedures in place when discrepancies and/or irregularities are discovered.
3.	Separated storage of different goods	Unauthorized substitution of goods and/or tampering with goods.	Where appropriate different types of goods should be separated, e.g. foreign, domestic, high-value goods, hazardous goods etc (see also 5.06.1). The location of storage should be registered in the logistical administration, as soon as the goods are arrived in the storage location.
4.	External boundaries of premises	Inadequate protection of the storage area against external intrusion.	See 5.03.1
5.	Gates and gateways	Existence of gates or gateways which are not monitored.	See 5.03.2
6.	Locking devices	Inadequate locking devices for external and internal doors, windows, gates and fences.	See 5.03.3
7.	Procedures for access to keys	Unauthorized access to keys.	See 5.03.4
8.	Parking of private vehicles	Inadequate protection of the storage area against external intrusion	See 5.03.6
9.	Additional safety and security measures for access to goods	Unauthorized access to the goods.	Are there any security measures, additional to the ones mentioned in Sections 5.02 and 5.03, protecting the goods from access by unauthorized persons?
10.	Authorisation level for staff categories	Unauthorized access to the goods.	Authorized access to the storage area and the goods only for designated staff or appropriately authorised persons.

Sub-Section 5.09 Production of goods

5.09.	Indicator	Risk description	Points for attention
1.	Assignment of location	No full control over the production process.	An area or areas be designated for production of goods. When goods are produced externally, the company should have established security arrangements with the persons responsible for the external premises to ensure the integrity of the goods.
2.	Internal control procedures	Tampering with the goods.	Security processes and procedures should be established to assure the integrity of the production process, e.g. authorized access only for designated staff or appropriately authorised persons, supervision and monitoring of the production process by systems and/or personnel. There should be a separation of functions between the person responsible for controlling the manufacturing methods and the person responsible to establish the manufacturing methods.
3.	External boundaries of premises	Inadequate protection of the storage area against external intrusion.	See 5.03.1
4.	Gates and gateways	Existence of gates or gateways which are not monitored.	See 5.03.2
5.	Locking devices	Inadequate locking devices for external and internal doors, windows, gates and fences.	See 5.03.3
6.	Procedures for access to keys	Unauthorized access to keys.	See 5.03.4
7.	Parking of private vehicles	Inadequate protection of the storage area against external intrusion	See 5.03.6
8.	Additional safety and security measures for access to goods	Unauthorized access to the goods.	Are there any security measures, additional to the ones mentioned in Sections 5.02 and 5.03, protecting the goods from access by unauthorized persons?
9.	Authorisation level for staff categories	Unauthorized access to the goods.	Authorized access to the production area only for designated staff or appropriately authorised persons.

5.09.	Indicator	Risk description	Points for attention
10.	Packing of products	Incomplete control over the flow of goods.	When the packing of final products is not done at the company's premises but externally, the company should have established security arrangements with the persons responsible for the external premises to ensure the integrity of the goods.
11.	Quality inspection	Incomplete control over the flow of goods.	If a quality inspection exists for the goods, which can be an additional element to ensure the security integrity of the goods.

Sub-Section 5.10 Loading of goods

5.10.	Indicator	Risk description	Points for attention
1.	Routines for checking outgoing transport	Delivery of goods that pose a safety or security risk.	Where appropriate the company should establish routines: <ul style="list-style-type: none"> ○ Appointing staff responsible of receiving the driver and the loading of the goods at arrival. ○ Registration of the transport documents and customs papers accompanying the goods. ○ Comparing the goods with the accompanying transport documents and customs papers. ○ Registration of the completion and results of the checks. ○ To inform the customs authorities informed on departure of the goods to enable customs to perform controls of the shipments in time. ○ To inform the selling department and the administration on the departure of goods.
2.	Routines for verifying security measures imposed by others	Breach of agreed security arrangements with the risk of delivery of unsafe or insecure goods.	Where appropriate, how are the arrangements on security measures imposed by your customers verified when the goods are loaded.
3.	Supervision over loading of goods	Delivery of goods that pose a safety or security risk.	Personnel should be assigned to supervise the loading of goods. It should be avoided that outgoing goods could be loaded or left behind in unsupervised. The company should identify procedures avoiding the situation that goods are left unsupervised.
4.	Level of safety and security awareness of personnel	Lack of proper knowledge on security with the consequence of loading unsafe or insecure goods.	The company should on a regular basis inform the staff of security measures and/or security arrangements to ensure the safety and security awareness of personnel.
5.	Sealing of outgoing goods	Delivery of goods that pose a safety or security risk.	Are outgoing goods sealed and how are the seals checked?
6.	Uniform marking of goods	Delivery of goods that pose a safety or security risk.	Outgoing goods should be uniformly marked or stored in designated area(s).
7.	Weighing and tallying of goods	Delivery of goods that pose a safety or security risk.	Where appropriate, the company should establish routines to weigh and tally outgoing goods.

5.10.	Indicator	Risk description	Points for attention
8.	Administrative processes of the loading of goods	Delivery of goods that pose a safety or security risk.	<p>The company should establish administrative procedures of the delivery of goods:</p> <ul style="list-style-type: none"> ○ How (on the basis of which documents), when and by whom are the goods loaded booked out in the stock administration. ○ Checking of the goods against loading lists and selling orders. ○ Registration of the goods out of the stock, as soon as possible after departure of the goods.
9.	Internal control procedures	No proper action if discrepancies and/or irregularities are discovered.	Procedures should be in place when discrepancies and/or irregularities are discovered.

Criteria:

Appropriate security and safety standards, where applicable:

The economic operator implements measures allowing a clear identification of his trading partners in order to secure the international supply chain.

Sub-Section 5.11 Security requirements on foreign suppliers

Economic operators can only be held responsible for their part of the supply chain, and for the goods which are under their custody. Through contractual arrangements between business partners can the security of the sequent parts of the supply chain be ensured.

5.11.	Indicator	Risk description	Points for attention
1.	Security requirements imposed on others	Breach of agreed security arrangements with the risk of delivering unsafe or unsecured goods.	Identify and analyse the arrangements which are made regarding the implementation of security measures between the company and its domestic and foreign suppliers. The effectiveness of the security requirements implemented by your domestic and foreign suppliers should be regularly checked by yourself, f.e. through regular visits to the supplier's business premises.
2.	External control procedures	Breach of agreed security arrangements with the risk of delivering unsafe or unsecured goods.	Have during the last year incidents occurred with regard to the arrangements as mentioned above. If yes, what type of measures have resulted as a consequence of the incidents which happened.

Criteria:

Appropriate security and safety standards, where applicable:

The economic operator conducts, in so far as legislation permits, security screening on employees working in security sensitive positions and interviewing of prospective employees; and includes application verifications and periodic background checks.

Active participation in security awareness programmes of the employees concerned.

Sub-Section 5.12 Personnel security

5.12.	Indicator	Risk description	Points for attention
1.	Employment policy	Infiltration of staff that could compose a security risk.	The company's employment policy should take account of the company's security requirements.
2.	Security checks on prospective employees	Infiltration of staff that could compose a security risk.	If national legislation allows, the company should ensure the security background of new employers either through security checks or through other methods.
3.	Safety and security training	Inadequate awareness of security requirements.	Personnel should receive regular training provided with regard to security and safety requirements, such as security protocols, detection of intrusion/tampering and reporting of incidents and the risks associated to the international supply chains. A unit or a group of persons (internal or external) must be responsible for providing the training programs to the staff.
4.	Safety and security requirements for temporary personnel	Infiltration of staff that could compose a security risk.	The company should have security requirements in place regarding the use of temporary personnel.

Sub-Section 5.13 External services

5.13.	Indicator	Risk description	Points for attention
1.	External services	Infiltration of staff that could compose a security risk.	In case that services are outsourced, f.e; transportation, security guards, cleaning, maintenance; security demands should be incorporated in the contractual arrangements made with the external companies.

Table of criteria that needs to be fulfilled by the different operators

The table below indicates which areas of the criteria that needs to be fulfilled by the different operators in the supply chain. The table is only an overview of the areas, the detailed criteria are explained before in the sections and sub-sections of this document. In case an AEO applicant combines in his business process several of the functions mentioned in this table the, the columns should be merged to establish a complete list of criteria which have to be fulfilled f.e. in the case of an exporter transporting its own goods the columns "exporter" and "forwarder" should be merged.

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
Section I	Company's information							
1.01	Organisational characteristics							
1.02	Internal organisation							
1.02.1	Specify the internal structure of the company							
1.02.2	Appropriate level of knowledge of customs procedures	1)	1)	1)	1)	-	1)	1)
1.03	Volume of business							
1.03.1	Annual Turnover (general)							
1.03.2	Profits and losses							
1.03.3	Stock Capacity							
1.03.4	Purchases (foreign trade).							
1.03.5	Purchases received in customs or fiscal warehouse							
1.03.6	Goods used in the production process							
1.03.7	Outcome of the production process							
1.03.8	Sales (foreign trade)							
1.03.9	Sales (foreign trade). Removed from customs or fiscal warehouse							

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
1.04	Statistics on customs matters							
1.04.1	Tariff classification	3)						
1.04.2	% of import duties	3)						
1.04.3	% of VAT	3)						
1.04.4	% of excise	3)						
1.04.5	CAP (duties and refunds)	3)						
1.04.6	Preferential measures	3)						
1.04.7	Antidumping duties	3)						
1.04.8	Origin / provenance of goods	3)						
1.04.9	Customs/VAT value	3)	1)					
Section II	Compliance record							
2.01	Compliance history as regards customs authorities and other relevant governmental authorities							
2.02	Intelligence information on irregularities							
Section III	The Company's Accounting and logistical system							
3.01	Audit trail for fiscal and/or customs purposes							
3.02	Accounting system							
3.02.1	Computerised environment							
3.02.2	Financial administration							
	Logistical administration		=					=
3.03	Internal control system							
3.03.1	Internal control procedures							
3.03.2	Internal control procedures specifically for production							

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
3.04	Flow of goods							
3.04.1	General							
3.04.2	Incoming flow of goods	3)						
3.04.3	Storage	3)	4)					2)
3.04.4	Production							
3.04.5	Outgoing flow of goods Delivery from warehouse and shipment and transfer of goods							
3.05	Customs routines							
3.05.1	General	1)	1)	1)	1)	1)	1)	1)
3.05.2	Economic licenses for import and/or export	1)	1)	1)	1)	1)	1)	1)
3.06	Requirements for record retention/archiving							
3.07	Information security - protection of computer systems							
3.07.1	Certification standards for securing computerised environment							
3.07.2	Internal control procedures							
3.07.3	Computerised environment							
3.07.4	Contingency plan							
3.07.5	Routines in case of computer failure							
3.08	Information security - documentation security							
3.08.1	Internal control procedures							
3.08.2	Contingency plan							
3.08.3	Authorisation level for staff categories							
3.08.4	Safety and security requirements imposed on others							

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
Section IV	Financial Solvency							
4.01	Insolvency							
Section V	Safety and Security requirements							
5.01	Self assessment							
5.02	Entry and access to premises							
5.02.1	Routines for access or entry of vehicles, persons and goods							
5.02.2	Standard operating procedures in case of intrusion							
5.03	Physical security							
5.03.1	External boundaries of premises							
5.03.2	Gates and gateways							
5.03.3	Locking devices							
5.03.4	Procedures for access to keys							
5.03.5	Internal physical security measures							
5.03.6	Parking of private vehicles							
5.03.7	Standard operating procedures in case of intrusion							
5.03.8	Maintenance of external boundaries and buildings							
5.04	Cargo units							
5.04.1	Routines for access to cargo units							
5.04.2	Routines for securing the integrity of cargo units							
5.04.3	Procedures for inspecting the structure of the cargo unit							
5.04.4	Standard operating procedures in case of intrusion and/or tampering with cargo units							
5.04.5	Ownership of cargo units							
5.04.6	Maintenance of cargo units							

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
5.05	Logistical processes							
5.06	Non-fiscal requirements							
5.07	Incoming goods							
5.07.1	Routines for checking incoming transport							
5.07.2	Routines for verifying security measures imposed on others							
5.07.3	Supervision for the reception of goods							
5.07.4	Level of safety and security awareness of personnel							
5.07.5	Sealing of incoming goods							
5.07.6	Uniform marking of goods							
5.07.7	Weighing and tallying of goods							
5.07.8	Administrative processes of the reception of goods							
5.07.9	Internal control procedures							
5.08	Storage of goods							
5.08.1	Assignment of storage location						1)	2)
5.08.2	Internal control procedures						1)	2)
5.08.3	Separated storage of different goods						1)	2)
5.08.4	External boundaries of premises						1)	2)
5.08.5	Gates and gateways						1)	2)
5.08.6	Locking devices						1)	2)
5.08.7	Procedures for access to keys						1)	2)
5.08.8	Parking of private vehicles						1)	2)
5.08.9	Additional safety and security measures for access to goods						1)	2)
5.08.10	Authorisation level for staff categories						1)	2)

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
5.09	Production of goods							
5.09.1	Assignment of location							
5.09.2	Internal control procedures							
5.09.3	External boundaries of premises							
5.09.4	Gates and gateways							
5.09.5	Locking devices							
5.09.6	Procedures for access to keys							
5.09.7	Parking of private vehicles							
5.09.8	Additional safety and security measures for access to goods							
5.09.9	Authorisation level for staff categories							
5.09.10	Packing of products		1)					
5.09.11	Quality inspection		1)					
5.10	Loading of goods							
5.10.1	Routines for checking outgoing transport							
5.10.2	Routines for verifying security measures imposed by others							
5.10.3	Supervision over loading of goods							
5.10.4	Level of safety and security awareness of personnel							
5.10.5	Sealing of outgoing goods							
5.10.6	Uniform marking of goods							
5.10.7	Weighing and tallying of goods							
5.10.8	Administrative processes of the loading of goods							
5.10.9	Internal control procedures							

		<i>Manufacturer</i>	<i>Exporter</i>	<i>Forwarder</i>	<i>Warehouse keeper</i>	<i>Customs Agent</i>	<i>Carrier</i>	<i>Importer</i>
5.11	Security requirements for foreign suppliers							
5.11.1	Security requirements imposed on others							
5.11.2	External control procedures							
5.12	Personnel security							
5.12.1	Employment policy							
5.12.2	Security checks on prospective employees							
5.12.3	Safety and security training							
5.12.4	Safety and security requirements for temporary personnel							
5.13	External services							
5.13.1	Safety and security requirements on external services							

- 1) Where appropriate
- 2) Only if the local clearance procedure is used
- 3) Where appropriate, if an economic customs procedure such as inward and/or outward processing is applied
- 4) Where appropriate, in particular CAP goods or where the local clearance procedure is used