



Authorized Economic Operator (AEO)

Support information to help you become certified

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A message from the ISSA President



Jens Olsen
ISSA President

In a letter to me, the Secretary General of the World Customs Organization (WCO) confirmed to me an obvious truth in our industry: “Vessel delays cost big money”. In this context, the relationship between customs administrations and companies involved in ship supply has never been more critical.

He added that “the nature of the ship supply business is a unique one. Members of ISSA routinely import and export goods without the payment of customs charges and generally have unfettered access to customs controlled areas such as wharves and bonded stores, so they can go about their lawful business. As a direct consequence, it is not unreasonable of customs to expect in return high levels of voluntary compliance with customs and other legislation”.

The global “Authorized Economic Operator (AEO)” is such a voluntary compliance program which has attracted the attention of the ISSA membership over the last years. I therefore hope you will appreciate this “roadmap to AEO certification” as a support tool for ISSA members who choose to become AEO certified to enter into a dialogue over appropriate procedures and processes to ensure compliance with the AEO requirements but also equally importantly to ensure that you benefit from all the facilitation and simplifications that this status offers.

PART 1: Introduction

ISSA has created this practical guide to provide their members with a guidance document and to suggest some useful tools to facilitate the application and certification process for the ISSA members who decide to become certificated under their national customs authority's "Authorized Economic Operator" programme. This support paper suggests tips for contact with customs, advises on the structure of an AEO application file and provides details of what information a ship supply company may need to provide to customs. Emphasis is also placed on suggestions and practical examples on how to fill in the various types of documents a ship supply company may encounter. The document also addresses the positive contribution of ISSA's "Quality Standard" towards meeting the requirements for AEO status. Finally, your responsibilities and obligations once you are an AEO are briefly mentioned.

Background

ISSA has regularly informed ship supply companies of the gradual introduction of "Authorized Economic Operators". Currently, there are 12 AEO programmes in operation across the globe and others are being planned. It should be noted the over 170 member countries of the [World Customs Organization \(WCO\)](#) have agreed to implement these AEO "security of the supply chain" programmes.

Ship supply companies often lack basic information on what constitutes their national AEO programmes and where to find the right information. This is complicated by the fact that AEO programmes have different names in different countries (see Annex). Moreover, ship supply companies may not be used to dealing with government officials and don't know who, how and when to contact customs officials. In addition, finding the right information about the application and certification process for AEO programmes can be very complex and burdensome. Since the information provided by customs is generic for all businesses and modes of transport, elements may be unclear or do not apply to the ship supply industry and create confusion. Lack of comprehension of the legal requirements and general uncertainty might lead to incomplete or erroneous AEO applications which might have significant time and cost implications for the ship supply companies. This guide aims to point you in the right direction so you are off to a good start on your AEO application.

PART 2: Is AEO certification useful for my company?

It is not for this document to discuss the advantages or benefits of the voluntary AEO certification; nevertheless, answering this question remains the starting or breaking point of any AEO application. For ISSA it is imperative that ship supply companies analyse thoroughly if becoming an Authorized Economic Operator (AEO) makes sense in their current and future business model before taking any further steps. You should be convinced of the advantages AEO certification will provide for your ship supply company and discuss with other trade colleagues and local customs officials about the relevance of such a step for your business.

You may also consider the usefulness of being a "trusted AEO trader" in terms of your marketing strategy, knowing that ISSA is willing to place the AEO logo against your company profile in the ISSA register. In other words, your decision to become an AEO should not only depend on business decision and direct, immediate benefits you may obtain but should also consider external factors and the economic and legislative (political) outlook.

Also, ISSA recommends ensuring that you enquire well in advance about the average processing and evaluation timeframe in your country. Currently ISSA estimates that AEO applications and verifications may take up to one year.

PART 3 What you need to know about AEO programmes

3.1. Scope of the AEO programmes

Although based on a common framework¹, AEO programmes vary from country to country. The first most obvious distinction to be made is with regard to its scope. Not all programmes allow for exporters such as ship suppliers to take part, as is the case in the United States of America. The first clarification to be obtained from your national officials is therefore if the AEO programme applies also to ship suppliers in your country. In the annex of this document, a list of operational AEO programs can be found allowing you to find out if your company can actually become an AEO.

3.2 Four common pillars of the AEO programmes

Across the world, there are certain general “themes” which repeat themselves in all AEO programmes to a larger or lesser extent. There are generally four fundamental pillars which are likely to be assessed in your applications. However, here it is crucial to consider your national specifics as customs officials attach different degrees of importance to the different “themes”². ISSA recommends finding out to what extent these 4 pillars need to be fulfilled in your application. The themes are:

SECURITY	COMPLIANCE	COMPLICANCE	COMPLIANCE
to have put in place appropriate security and safety standards.	to provide a satisfactory system of managing commercial and transport records, which allows appropriate customs controls	to demonstrate an appropriate record of compliance with customs requirements	to prove your financial viability and solvency

3.3 Various types of AEO certificates

Across the world, there may be different types of certificates, with which you need to become familiar. For example, in the EU, there are 3 different AEO certificates to choose from. If you have the choice, you may have to make a strategic decision of what type of certificate you wish to go for before applying. You may wish to ask your customs officials for a recommendation. While you are free to choose whichever type of certificate best suits your business, ISSA is recommending that if you can meet the qualifying criteria you should apply for the full, most complete AEO Certificate. This type of certificate entitles the holder to all of the benefits of being an AEO and will have a wider international standing, which is important for the global nature of the ship supply business.

3.4 The concept of proportionality

The customs authorities should take due account of the specific characteristics of ship supply companies, in particular when they are small and medium-sized companies³. Customs officials have to recognize that your efforts to become an AEO must be proportionate in relation to your size (e.g. number of employees and finances available). When modifications are requested by customs that are not appropriate to your company’s size, then you should not be forced to do so. There are two points to consider:

- AEO certification must in principle and practice be possible for ship suppliers of any size.
- You should not have to change your business model just because you become an AEO.

¹ WCO’s SAFE Framework of Standards

² For example, while in the EU you can opt only to fulfill the “compliance criteria” in the US the focus is almost exclusively on “security”². However, countries are engaged in negotiating “mutual recognition” of AEO programmes worldwide so a holistic approach towards AEO is recommended.

³ In the EU, this is written in EU law

PART 4: Before you apply: Suggestion for preparatory work

Once you have found out that you can become an AEO in your country and you have taken the decision to obtain the status, ISSA recommends a simple internet research that you can undertake to familiarize yourself with the AEO application process in your country. In addition, there are some basic decisions that you can take to prepare for the AEO application process:

4.1 ISSA Quality certificate

The ISSA Quality Standard ensures quality of services of the ship supply industry across the globe. It is an important and recognized industry standard. ISSA is convinced that having the “ISSA Quality certificate” is a useful tool to progress faster with your AEO application. We therefore recommend you obtain this certification before making an AEO application. Contact the ISSA Secretariat for further information. See PART 6 on how to integrate the ISSA Quality Certificate in your AEO application.

4.2 Useful suggestions

Some points you may wish to consider when preparing to make an AEO application:

1. Appoint an AEO Executive. You may ask yourself: Who in my company has extensive knowledge of all procedures / buildings in the company and can give customs the most complete and accurate information? Who can interact with customs on a daily basis in a professional and competent manner? Deciding on the right “AEO Executive” is very important as the correct, timely and professional dialogue with customs may assist you in obtaining your certification faster. They then become the main contact person for the customs authorities. It is important to have the responsible executive clearly identified.
2. Your AEO Executive should then assemble all the necessary local and national information by conducting online-research on your national customs web pages; where you can find a wealth of information concerning the AEO programme e.g. explanatory notes or FAQs (Frequently Asked Questions)⁴. Please note that some countries / regions (e.g. EU) have put in place e-learning programmes on AEO in several languages which can be downloaded for free and are a good source of information⁵. You should pay special attention to finding the contact details of the relevant customs office in charge of your company, ideally identifying the person in charge. ISSA recommends you to write down his/her contact details and all questions that you encounter from this research to discuss within your company and AEO Team.
3. Having done your internet research and having studied all the information, you may decide to contact your competent AEO customs Executive. He will advise you on the next steps. According to your business model and the accessibility of your AEO customs official, you may visit him or to invite him to your premises to explain the special nature of your business. ISSA recommends you inform the competent customs official at an early stage of the application process about ship supply and why it requires special consideration. This is best done through a face-to-face meeting. Typically, the next step will be to fill in the national application form which may consist of application forms and a questionnaire (see below).

⁴ For instance, see information provided online by Singapore customs:
<http://www.customs.gov.sg/leftNav/trad/Supply+Chain+Security.htm>

⁵ For example, see EU AEO learning course: http://ec.europa.eu/taxation_customs/common/elearning/aeo/index_en.htm

PART 5 The AEO application process

In this section we try to provide some useful suggestions on the standard AEO application process that you may find in your country. Please note however that the national AEO application procedure may vary. It may include or exclude certain elements presented here and add other ones. It may have to be filled in by paper or electronically. It may require more or less explanations, and may be linked to an audit. Finally it might require additional documents such as site plans, organizational plans, structures in place etc⁶.

It may also be necessary to clarify with your customs officials if the application form is the first document your local customs wish you to fill in. Maybe they prefer you to complete the self-assessment form first. You also may wish to clarify if you have to send customs one entire package of documents (application + self-assessment) or first the application and then the self assessment or only parts of it.

In other words it is important to understand the correct procedure and order. Also, the timetable for applying and self-assessment might vary. You should enquire about this as well.

5.1. The AEO application form

This is usually the first document to fill out. It requires very basic, standard information. Maybe some information needed is already available on your webpage and can be taken from there?

ISSA suggests three points to consider when filling out the application:

1. Explain what is involved in the “ship supply” business and in simple terms what a ship supplier provides. It will be useful to indicate your membership in ISSA and point them to our webpage for further information on our industry⁷. ISSA recommends stressing that ship supply is a specialised export trade, which brings stores/spares onboard of a vessel, where they are consumed by either machines or people. Consequently, they never leave the vessel once they are onboard and therefore also never arrive in a third country. The vessel in fact is considered to be the third country. Goods delivered as ship supply are considered to have left the customs territory once they are loaded onboard of a vessel regardless of its destination.

2. You may wish to point to your experience in dealing with customs authorities and highlight important, relevant dates e.g. when your alarm system was installed or that you have certain security and compliance procedures in place; when you moved to a larger, better protected and modern facility etc.

3. ISSA suggests also pointing to the “ISSA Quality Standard” possibly explaining what is in your application form and that you comply with the relevant parts of the ISPS Code as applicable to the ship supply industry. It may well help to speed up the assessment process later.

An example of a typical application form can be found on the next page.

⁶ Your “AEO country profile” from ISSA provides you with the updated internet links to the AEO application form in your country as well as hyperlinks to explanatory notes or guidelines.

⁷ Supply the link to www.shipsupply.org and / or, if member of OCEAN, additionally www.shipsupply.eu.

5.2. Example of a typical AEO application form

Below you will find the standard example of the application form in the EU for illustration purposes only:

 EUROPEAN COMMUNITY

Application for AEO Certificate
(Referred to in Article 14c(1))

NB: please refer to the explanatory notes when filling out the form

<p>(1) Applicant</p> <input style="width: 100%; height: 20px;" type="text"/>	<p>(9) Trader Identification number(s)</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(2) Legal Status of applicant</p> <input style="width: 100%; height: 20px;" type="text"/>	<p>(10) Legal registration number</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(3) Date of establishment</p> <input style="width: 100%; height: 20px;" type="text"/>	<p>(11) Requested type of certificate</p> <ul style="list-style-type: none"><input type="checkbox"/> AEO certificate – Customs simplifications<input type="checkbox"/> AEO certificate – Security and safety<input type="checkbox"/> AEO certificate – Customs simplifications/Security and safety				
<p>(4) Address of establishment</p> <input style="width: 100%; height: 40px;" type="text"/>	<p>(12) Economic sector of activity</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(5) Location of main place of business</p> <input style="width: 100%; height: 40px;" type="text"/>	<p>(13) Member State(s), where customs related activities are carried out</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(6) Contact person (name, phone, fax, e-mail)</p> <input style="width: 100%; height: 40px;" type="text"/>	<p>(14) Border crossing information</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(7) Correspondence address</p> <input style="width: 100%; height: 40px;" type="text"/>	<p>(15) Simplifications or facilitations already granted, certificates mentioned in Article 14k(4)</p> <input style="width: 100%; height: 40px;" type="text"/>				
<p>(8) VAT ID number(s)</p> <input style="width: 100%; height: 40px;" type="text"/>	<p>(16) Office where customs documentation is kept:</p> <input style="width: 100%; height: 40px;" type="text"/>				
	<p>(17) Office responsible for providing all customs documentation:</p> <input style="width: 100%; height: 40px;" type="text"/>				
	<p>(18) Office where main accounts are kept:</p> <input style="width: 100%; height: 40px;" type="text"/>				
	<p>(19)</p> <table border="0" style="width: 100%;"><tr><td>Signed:.....</td><td>Dated:.....</td></tr><tr><td>Name:.....</td><td>Number of annexes:.....</td></tr></table>	Signed:.....	Dated:.....	Name:.....	Number of annexes:.....
Signed:.....	Dated:.....				
Name:.....	Number of annexes:.....				

Brief analysis of the EU AEO application form

The application form of the EU is a model example on where common elements at global level are mixed with EU and national specific elements. The common elements are:

- Applicant
- Legal status
- Date of establishment
- Address of establishment
- Location of main place of business
- Contact person
- Correspondence address
- Economic sector of activity (*write ship supply and explain what it is*)

EU specific are:

- VAT, Trader Identification and Legal registration numbers.
- Border crossing information
- Simplifications or facilitations already granted, certificates mentioned
- Annexes

Note that in the case of the EU, the need for “annexes” is indicated on the right bottom corner. One may overlook it, but have major significance for the applicant. In the case of the EU, they will have you beginning to collect necessary information within your different company departments and you may have to involve your colleagues to help you find the information needed. This could take a considerable amount of time and man hours for which you may wish to calculate.

Already at this stage, you may realise that you need to introduce new procedures or “polish up” existing ones in your company. In some cases, there may need to be physical investments properly to fill in the annexes / the application form. It is also to be noted that any information you provide at this early stage may be requested by your customs officials, even if this may take place at different stages of the application process (e.g. only during the physical audit).

5.3 AEO Self-Assessment / Questionnaire

The application form is generally followed by a process called “AEO Self-Assessment”, also known as “self-policing” or the “AEO questionnaire”. The reason why customs may ask you to conduct this is to make you familiar with the requirements associated with obtaining the AEO status and provide customs with additional information about you and your business. Again, self-assessment is country specific, so, above all, look out for explanatory guidelines. Also note that there is more than one way to address the issues specified in the questionnaire. In other words, the same requirements can be complied with using different means and methods.

In order to save time and money, it may be useful to discuss your national questionnaire with your customs officials and ask him or her where:

- you need to provide no information (because it is not relevant to ship supply),
- where only basic information is needed
- where more detailed information is needed.

Please also note that some countries recommend not submitting an application for AEO status until all of your relevant procedures are documented and available for inspection. They further suggest creating a tabulated folder of your procedures cross-referencing it with the relevant questions in the self-assessment questionnaire. It may be the case that some of your responses will simply be cross-references to sections in your procedures.

5.4 Example of a structure of the AEO questionnaire

The example of the UK AEO questionnaire shows the basic structure of such a document:



Authorised Economic Operators (AEO) questionnaire

Sections :

1. Trader Information (4 subsections)
2. Compliance record (2 subsections)
3. The accounting and the logistical system of the business (8 subsections)
4. Financial solvency
5. Safety & security requirements (11 subsections)

Some questions are “yes” or “no” questions, but most of the time, you are required to provide more details and additional information. There are extensive guidelines and support mechanisms available which help you to fill in the 11 page document, which you should consult prior to filling out the form. You should foresee time to study these documents carefully.

5.5. Speed up your application with International Recognized Standards

You can simplify your application for you and customs authorities alike, if you refer to internationally recognized standards that you possess throughout the self-assessment document like ISO 9001:2008, the ISSA Quality Standard or the ISPS Code. Customs may look at this favorably. For example, in the UK AEO self-assessment questionnaire, if you have ISO standards 9001:2008, some criteria are automatically met. As you adhere to the ISPS code, you may be considered to meet about 5 of the 11 criteria of the security and safety section. The ISSA Quality Standard may further speed up your application.

Summary of Application Procedure

1. Familiarize yourself with your national AEO application + self-assessment forms, look out for guidelines, explanatory notes and fact sheets.
2. Contact your responsible customs officials to understand your obligations. Find out what comes first: AEO application form and then the self-assessment or reverse?
3. Complete the AEO application form (don't forget the accompanying annexes if applicable) and the self-assessment questionnaire. You may wish to create a tabulated folder of your relevant document procedures and retain it in your premises (check with your customs Executive).
4. Send the “pack” off to your competent customs office
5. Following acceptance of your application you should be contacted by your local customs official who may request your documented procedures.
6. Your local customs official may then decide to visit you to review your procedures and conduct a physical examination of your premises.

PART 6: Using the “ISSA Quality Standard” in your AEO application.

The quality management principles stated in ISO 9001 and the ISPS Code, which are important elements of your AEO application, have been taken into account during the development of the unique ISSA Standard 2010. While the ISM Code is not directly applicable to the Ship Supplier, the requirements of Quality and Safety as covered in the ISM Code have been included in this Standard. The ability of the ship supply company to follow an acknowledged Quality System such as ours will go a long way to ensure compliance with the ISPS Code in ports and on board ships⁸.

6.1. What the World Customs Organization (WCO) says about the ISSA Quality Standard 2010

ISSA has received the finest endorsement to date for its efforts to improve the quality of global ship supply after the World Customs Organisation praised the progress ISSA is making in upgrading its 2010 ISSA Quality Standard. Kunio Mikuriya, Secretary General, of the WCO, said the ISSA Quality Standard 2010 “clearly demonstrates ISSA Members’ commitment to comply with all statutory requirements and to play a leading role in both facilitating the needs of the maritime industry while meeting the international and domestic requirements associated with vessel, port and supply chain security”. He added “Initiatives such as the ISSA Quality Standard are important building blocks to ensure high levels of trust exist between customs and Industry. The nature of the ship supply business is a unique one. Members of ISSA routinely import and export goods without the payment of customs charges and generally have unfettered access to customs controlled areas such as wharves and bonded stores, so they can go about their lawful business. As a direct consequence, it is not unreasonable of customs to expect in return high levels of voluntary compliance with customs and other legislation”.

6.2. Put the ISSA Quality Standard 2010 to good use

ISSA suggests informing your local customs Executive about the “ISSA Quality Standard 2010” at an early stage of the application process. It may be useful to organize a face-to-face meeting with a customs Executive to explain to him what it is, how it is assessed and how it is implemented in your company.

Next, ISSA recommends taking the ISSA Quality Standard 2010 as a basis of your AEO application and asking customs what criteria your local customs can accept as being met through the ISSA Quality Standard 2010 and where additional information might be required.

PART 7 Physical audits

A physical on-site / validation audit is needed in almost every case in order to become an AEO. Before anything else, make sure you know when (and who) will perform the checks with your company and alert staff. Ask all the questions you can, to ensure that you can present the auditors with all the answers and documents that they may ask for - without having to look for them! Understand what they want to see and what you need to prepare.

Although we cannot predict what form the audit will take, as this differs from country to country, it is relatively safe to assume that you may be asked by the auditors to present all the relevant documents that you referred to / supplied to customs authorities in your application. You may have to arrange for a tour of your company and, possibly, any other sites you may have, like a warehouse at a harbour. You could expect the auditors will wish to look at practical examples of the details you specified in your application. One may imagine that any the following issues may be revised:

⁸ Members should consult the separate document covering the ISPS Guidelines, as published by ISSA.

1. Your auditing and management system
2. The handling of your goods
3. Your security management system;
4. Your risk assessment process; and
5. The security measures you have put in place.

ISSA recommends the AEO Executive to be present during the audit and to prepare practical examples on how you have put adequate controls / measures in place. The auditor may also be interested in practical examples of the systems working.

After the audit, a final recommendation report will be issued where either you will be approved or the areas of your shortcomings will be identified enabling you to rectify them. It is important to check with customs about the right procedure to follow in case of non-approval.

PART 8 What may customs authorities look for in your answers?

In your application, your questionnaire and during physical audit, customs authorities may be looking for compliance with recurring themes (see also PART 3) and may ask you to demonstrate how you meet these criteria.

This list below is taken from AEO guidelines of the European Union and the WCO Framework of Standard to provide a common scope of what customs authorities may look for. It is taken out of the guidance documents for customs officials.

However, it is important to stress again that AEO models vary in focus and complexity and that the general information provided here remains very broad and can be interpreted in different ways by your local customs authorities. In one part of the world, customs authorities may place emphasis on some issues, less on others. Always check with national customs and their local requirements of what information is needed in your country.

We have followed the logic of the AEO – EU model to understand better what customs may be looking for and have broadly classified the issues in two sections with a scope of about 24 possible points:

<u>Customs Compliance</u>	<u>Security and Safety</u>
Control of Records & Management of commercial and transport records	Information and Information Technology (IT) security;
Accounting system	Personnel Security
Access and tracing of records	Education, Training and Awareness
Licensees and authorizations	Physical security: Premises & external boundaries
Financial viability & solvency	Internal controls, checking and confirmation
Demonstrated Compliance with Customs Requirements and tax requirements	Suppliers & Business / Trading Partner Security
Serious infringement or repeated infringement	Procedural security for Packaging & Goods / Cargo
Communication with customs authorities	Incident management and investigations
Consultation & Co-operation	Crisis management and incident recovery
Modern Information Exchange	Corrective Action & assessment
Confidentiality and Access Controls	Conveyance Security

Display of practical standards of competence or professional qualifications directly related the ship supply industry

Other government agency requirements

We have decided to enter into some of these different issues in more depth, since they may be particularly relevant for the ship supply industry. The goal of this was above all to give some practical examples specific for ship supply companies to illustrate what may be meant by some of the elements listed above. Again, ISSA recommends a “don’t pre-assume anything” attitude. Your local customs authorities will tell you what they need to see and what not.

Another element to highlight: It is clear that a small ship supply company consisting of 3 family members will have to comply with the same security requirements but they will implement them at a different level than a large international ship supply company. For example, the integrity of cargo can be ensured by placing them under permanent monitoring using video surveillance cameras, but it can also be ensured by keeping them in a safe, locked area. ISSA recommends keeping this in mind throughout your application process.

ISSA would like to highlight some of the criteria which you may wish to pay attention to during the AEO application process:

Demonstrated compliance with customs requirements: A larger ship supply company may schedule meetings with the customs director of the company, look at the company’s own computer system, the interconnection with the local e-customs system, discuss with the staff, show print-outs of successful transactions etc. A smaller company may show how they use the web-based customs interface, how they contact customs officials, what boxes to fill in, what procedures they have and may wish to display or have a copy of the local customs law / explanatory notes / guides readily available.

Satisfactory system for management of commercial records: ISSA recommends here to point to the ISSA Quality Standard 2010. A functioning management system of commercial records is quintessential for the delivery of a quality service. Therefore, being ISSA Quality 2010 certified should be taken into due consideration when assessing this point. Generally, a large ship supplier could have an integrated electronic record-keeping system for customs authorities to audit while a small and medium ship supplier has a simplified and paper-based system of record-keeping.

Financial viability recognizes the critical role to be filled by good financial standing in allowing you to fulfill its commitments as an AEO. Larger ship suppliers could schedule a meeting with the finance director of the company; discuss balance sheets, cash flows, past performance, forecasts and prospects. A smaller company may simply show their bank statements, possibly supported by a letter from their local bank.

Consultation, Co-operation and Communication: ISSA considers it important for the ship supply companies to get to know their local customs officers and for them to get to know you. It is important to develop a sense of trust between the two partners during the AEO application process. ISSA recommends appointing a member of staff responsible permanently for AEO or “external customs” in your company and to be open and ready to answer questions by custom authorities without delay. Be proactive, not reactive to create mutual beneficial working relationships regardless of the size of your company.

Education, Training and Awareness: You may have an annual training plan or you may even have a person in charge who can report on past training and awareness-raising seminars. Are they

diverse and cover many fields? As a small company you may have sent your employees on free courses offered by customs or have purchased a training course out-of-house? Point also to all the in-house training you did, also through new communication tools e.g. AEO e-learning courses. Finally, regardless of the size of the company make sure all your staff know what AEO is, what it means and how you can get it.

□ **Information Exchange, Access and Confidentiality:** ISSA recommends showing how you secure information and to prevent its misuse or unauthorized alteration. For larger companies this may be via specialised, decrypted access controlled by a webmaster who can report about firewalls, virus scans etc in computers and secure telephone lines. Smaller companies may point to the number of times they change the passwords in their computers and who knows about them.

Cargo and Conveyance Security: This is fundamental for ship suppliers as we are dependent on constantly receiving goods and bringing them out of the warehouse in different forms, sizes and transport modes. ISSA recommends explaining the work processes in detail, explaining the modes of transport available (e.g. 2 trucks of xx meters with the number plate, closed by secure, break resistant lock etc). You may wish to explain who has access to the loading docks, the packaging areas, the warehouse etc. and who has not and why not. If you store dual-use goods or technical items, you may want to point to this as well.

Premises security: This is another crucial issue for ship suppliers, especially since we own warehouses and store such a great variety of items. ISSA recommends you list all issues and undertakings you perform to secure buildings and to control and monitor perimeters. A larger ship supplying company may have a perimeter wall/fence, security guards, and CCTV (close circuit TV systems) cameras etc. A small ship supplier might provide locks on doors, windows and filing cabinets. Pay special attention on how you secure explosives, dual-use goods and goods subject to excise duties.

Personnel security: The requirement to identify authorized persons (employees, visitors) could be fulfilled through the use of badges, a register etc. When recruiting, you could ask for references of previous employers or a certificate from the local authority.

Trading Partner Security: You can show the contracts that you have with your suppliers. ISSA recommends in particular explaining to the auditor the ISSA conditions under which you operate. ISSA believes that they already provide a good basis for a professional business partner relationship. Possibly, you could consider extending them to increase both your levels of security commitment. Alternatively you may ask for a letter from your trading partner certifying their measures to implement security measures.

□ **Crisis Management and Incident recovery:** This encourages advance contingency planning for recovery from adverse incidents in your company. Ask customs to what extent this applies to you, and if requested, explain what you will do in case of serious crisis.

Measurement, Analysis and Improvement: Here again, ISSA recommends pointing to the ISSA Quality Standard 2010 since this is extensively covered and a requirement for being ISSA quality certified.

PART 9: Your responsibilities as an AEO

Once you are an AEO, it is your responsibility to ensure you maintain the appropriate standards. As such, you must notify customs about changes that may affect your AEO status. This may include changes to your legal entity, business name or address, changes to the senior personnel responsible for customs matters listed in your application / questionnaire (AEO officer), changes to your accounting or computer systems. It is important to ask your AEO customs Executive or your contact point within customs about your responsibilities and obtain an answer in writing in order not to be surprised later on. Inform your staff about your successful verification and the responsibilities attached with it.

A final word

ISSA's goal and mission has always been to support member companies in their business. We have been at the forefront of creating support tools like the ISSA Terms of Conditions or the ISSA Quality Standard. We have produced information notes relating to important legislative advances like the ISPS Code.

ISSA believes that the AEO programmes have the potential to become more important within time and will sooner or later impact on our business. ISSA is aware that this programme currently does not affect all members and that there is a large debate about the merits of the programme for business. Yet it remains true that our security and the security of our partners is crucial – especially in today's globalised world. So even if you are currently not considering becoming an AEO or even if this programme is not available in your country, we recommend considering looking more closely into "supply chain security" and what it means or can mean for your company.

We wish you success and good luck with your AEO application!

ISSA November 2010

Annex: List of operational AEO Programmes in ISSA member countries in 2011

Country	Programme Title	Programme Type
Argentina	Customs System of reliable Operators (SAOC)	Export
Canada	Partners in Protection (PIP), Customs Self-Assessment (CSA), Free and Secure Trade (FAST), Partners in compliance (PIC)	PIP – Import / Export CSA, FAST, PIC - Import
Chile	AEO	Export
China	Classified Management of Enterprises	Import / Export
EU (27)	AEO	Import / Export
Japan	AEO	Export
Jordan	Golden List	Import / Export
Korea	AEO	Import / Export
New Zealand	Secure Exports Scheme (SES)	Import / Export
Norway	AEO	Import / Export
Singapore	Secure Trade Partnership (STP)	Import / Export
USA	Customs Trade Partnership against Terrorism (C-TPAT)	Import