

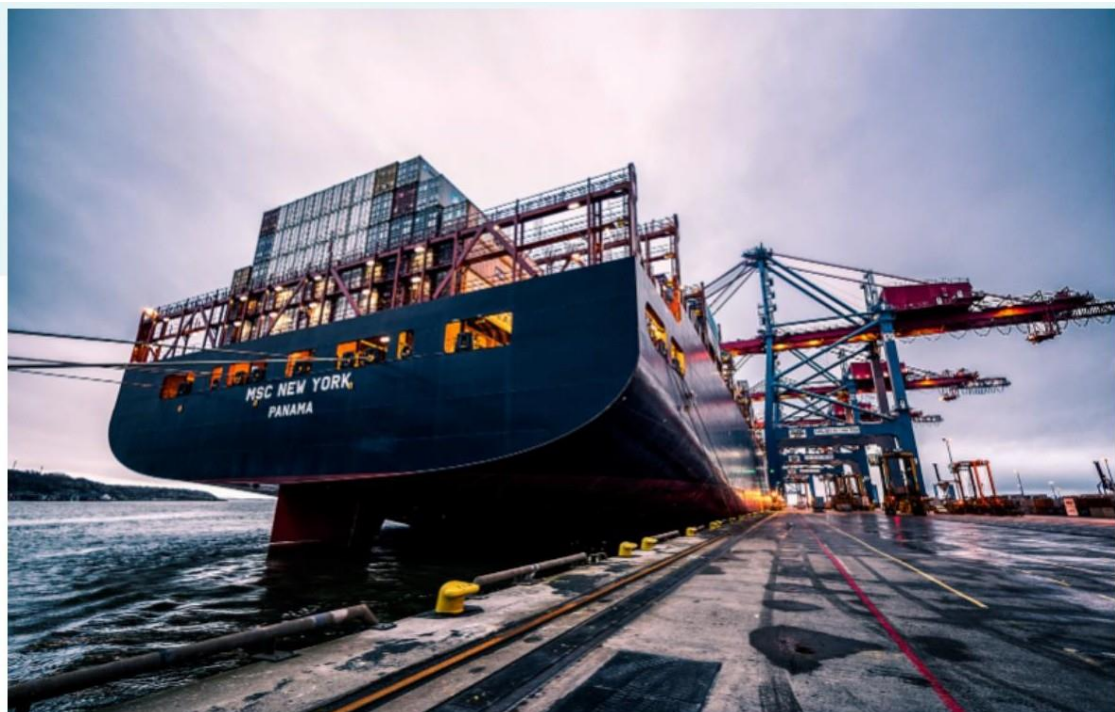
SRI LANKA CUSTOMS

Authorized Economic Operator Programme

Operational Guide Version 4.0

"Fully implementing the WTO trade facilitation agreement is one ingredient to reduce border delays and costs for traded merchandise."

--Arancha Gonzalez



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1. Introduction

This comprehensive policy is the Sri Lanka Customs Authorised Economic Operator Operational Guide v 4.0, governing all areas of the management of the Sri Lanka Customs AEO Programme.

This policy is made pursuant to the Sri Lanka Customs Departmental Order DOPL 1530 of 26.10.2021.

2. Terminologies

Authorised Economic Operator (AEO) is defined in the WCO SAFE Framework of Standards, as a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. AEO include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, and distributors.

In the Sri Lankan context, AEO Tier-II status is the second level of accreditation focused on improving the security of operator's supply chain through a documented process for determining and alleviating risk throughout their international supply chain. It is only awarded to operators who have fulfilled the specific requirements established under the AEO Programme and is approved by the AEO Committee.

AEO concept, is based on the Customs-to-Business partnership introduced by the World Customs Organisation (WCO). Traders who voluntarily meet a wide range of criteria work in close cooperation with Customs authorities to assure the common objective of supply chain security.

AEO Committee, is the final authority with the mandate for all matters regarding the Sri Lanka Customs AEO programme.

AEO Relationship Officer (RO,) is appointed to each AEO Tier-II as the single point of interaction within Customs in relation to a AEO's legitimate concerns and assisting where possible with resolving these concerns within the different sections of Customs and with other stakeholders.

Authorised Economic Operator TIER-I (AEO TIER-I), is the first level of accreditation within this AEO Programme in which participating operators voluntarily cooperate with Sri Lanka Customs in maintaining high quality measures in terms of internal operational processes and computer systems, appropriate records of compliance, sufficient financial resources as well as display sufficient customs knowledge to be held responsible for Customs matters. It is only awarded to operators who have fulfilled the specific requirements established under the AEO Programme and is approved by the AEO Committee.

AEO Helpline, will be available to AEO Tier-I status holders in which they can upload/email a request for assistance or enquiry of a legitimate concern to the AEO team, who will respond in turn. It is envisaged that enquiries that are frequently asked and which have a common response, will be added to the AEO portal FAQ section.

International supply chain, a general definition appropriate to this AEO programme includes - An operator's international supply chain is any of the following activities undertaken by, or for the purposes of, the company in relation to any goods that are imported into Sri Lanka or exported from Sri Lanka (whether by the company or another person):

1. Activities that, at a particular time, start to be undertaken for an unmanufactured raw product—where the product first comes into existence in a form in which it is to be supplied; or in any other case—where the first significant process in the manufacture or production of the goods is performed.
2. Any other activities in relation to the goods that are undertaken after that time until: for imported goods, the goods are no longer subject to customs control; or the goods are first received in Sri Lanka, as consignee, by that company or another company after the goods are no longer subject to customs control; or for exported goods—the goods arrive at a place outside Sri Lanka.

Mutual Recognition Agreement (AEO), the objective of mutual recognition of AEO status is that one customs administration in one country: recognises the AEO authorisation issued under the other

programme and. agrees to provide substantial, comparable and, where possible, reciprocal benefits/facilitations to the mutually recognised AEOs.

In the context of this Operational Guide, it is intended for AEO Tier-II certificate holders to receive prioritized trade facilitation by foreign Customs administrations with whom Sri Lanka enters into Mutual Recognition Arrangements, including:

1. International accreditation of their supply chain.
2. Recognition by other Customs administrations as a low-risk trader in the Customs automated risking system, which may lead to fewer examinations at the place of destination/importation.
3. Improved economic efficiency through reduced time and costs associated with cross-border Customs controls.
4. Reduced costs and time delays through priority inspections when cargo is selected, facilitating just-in-time deliveries.

Post Certification Audit, is the monitoring activity to be conducted by the designated validator/audit officer, within the specified time after AEO status approval.

Risk, in relation to an operator's international supply chain, includes, but is not limited to, the following:

1. a risk of contraventions of Customs-related laws arising from any or all of the activities forming part of the international supply chain.
2. a risk to the security of goods arising from any activity forming part of the international supply chain.
3. a risk to the security of goods arising from the nature of the goods.

SAFE, is the WCO framework of standards to secure and facilitate global trade.

Validation Audit, is the procedure whereby the applicants, their supply chain(s), and all relevant processes employed by them to reach that status, are subject to full and transparent review by the Sri Lanka Customs, before the certification can be given.

Validator, is the Customs official, or team of officials designated to the validation process, including conduct of the post-certification checks.

3. Benefits

Unless otherwise specified or excluded in your agreement of certification with the Sri Lanka Customs, service providers acting on behalf of AEO status holders are able to access benefits on behalf of these clients.

For elaboration of each benefit, refer to the [Benefits Booklet](#), which is an annexure to this Guide.

	AEO TIER-I Importer	AEO TIER-I Exporter	AEO Tier - II Importer	AEO Tier - II Exporter	AEO Logistics Provider
1. Expedited channels					
2. AEO cards					
3. Priority Trade Services					
4. Extended Priority Trade Services					
5. Access to dedicated cargo storage					

	AEO TIER-I Importer	AEO TIER-I Exporter	AEO Tier - II Importer	AEO Tier - II Exporter	AEO Logistics Provider
6. Use of Guarantees					
7. Front-of-Line Examinations					
8. Selection of examination place					
9. Reduced number of Customs examinations					
10. Exemption from stratified/random sampling					
11. Reduced number of Customs audits					
12. Prior Disclosures					
13. Reduction in on-site inspections for accredited Logistics Providers					
14. Exemption of Verification Charge					
15. AEO Relationship Officer (ARO)					
16. AEO Help Line					
17. Use of the AEO logo					
18. Seat at the Table					
19. AEO Mutual Recognition Agreement					
20. Monthly Reports					

4. Eligibility

Any operator applying for AEO status must fulfil specified criteria in order to qualify for an authorisation.

4.1. General Prerequisites for application

1. An economic operator involved in the international supply chain that undertakes Customs related activity in Sri Lanka can apply for AEO status irrespective of the size of their business. The list is not exhaustive and may include exporters, importers, logistic providers, bondsmen, terminal operators, customs brokers, and warehouse operators.
2. The applicant must be established in Sri Lanka; for this purpose, the applicant should provide evidence which may include:
 - i. Certificate of registration issued by the Registrar of Companies.
 - ii. Certificate of registration as a taxpayer TIN issued by the Department of Inland Revenue.
 - iii. Certificate of registration for VAT issued by the Department of Inland Revenue.
 - iv. Details of places/locations where goods are being handled, e.g. loading, unloading, storage etc., in the course of supply to/from international supply chain.
 - v. Proof that the company has its own bank account.
3. The applicant should have conducted Customs related activity for at least three financial years preceding the date of application.
4. The applicant should have surpassed the threshold of total 75 documents submitted to Customs during the last three financial years, that is, either import/export CUSDECs, or other applicable

document in the case for logistics operators.

5. An application for AEO status will only cover one legal company and will not automatically apply to all entities within a consortium of individuals entities, or to any subsidiary companies.

4.2. Support to SME and MSME

The AEO Committee shall take due account of the specific characteristics of economic operators, in particular of SMEs and MSMEs, while applying the prescribed eligibility conditions and qualification criteria, and when recommending a certification for the AEO status. The extenuating considerations may include the size of the MSME, the legal status, the structure, the volume of Customs processes they manage, and the specific activity of the economic operator while applying the eligibility conditions and criteria specified within this Guide.

4.3. Conditions of non-eligibility

An economic operator is not eligible to apply if:

1. they are not involved in a Customs related activity;
2. they are subject to bankruptcy proceedings;
3. they have a legal representative in Customs matters who has been convicted of a serious criminal offence related to an infringement of Customs rules and linked to their activity as legal representative;
4. the application for AEO Tier-I status is submitted within one year of the revocation of a AEO Tier-I /Tier-II certificate;
5. the application for AEO Tier-II status is submitted within three years of the revocation of an AEO Tier-II authorisation.

Note: There is no provision to grant AEO status to a specific site, division, or branch of a legal company. The application must cover all the activities and locations of the legal company involved in the international supply chain and the prescribed criteria will be applied across all those activities and locations.

5. Qualification Criteria

5.1 Authorised Economic Operator TIER-I (AEO TIER-I) status

For the purpose of this certificate, an applicant, can be an importer of goods into Sri Lanka, and/or an exporter of goods from Sri Lanka, and who, in addition to demonstrating compliance with the general pre-requisites discussed in section 4, must demonstrate compliance with the following criteria in order to qualify for AEO TIER-I status:

1. legal compliance; have an appropriate record of compliance with Customs requirements;
2. management of commercial and transport records, preferably in electronic form; which allows for appropriate Customs controls;
3. financial solvency;
4. having in place, the practical standards of competence or professional qualifications directly related to the activity carried out; and
5. the appointment of a responsible contact person with appropriate corporate knowledge of customs related matters to provide information and raise awareness and involvement of the establishment.

Demonstrating compliance with the additional security and safety standards is not required for the AEO TIER-I certificate. For elaboration of the qualification criteria, refer to the [Preparing your Application Booklet](#), which is an annexure to this Guide.

5.2 Authorised Economic Operator Tier- II (AEO Tier- II) status

This certificate is granted only to a trader or logistics operator - Importer, Exporter, Customs Broker, Bondsman, Warehouse Operator, Terminal Operator, Manufacturer – who is involved in the international supply chain.

In order to qualify for AEO Tier-II status,

1. an applicant that is an importer and/or exporter must have continuously enjoyed the status of Authorised Economic Operator TIER-I (AEO TIER-I) for at least a period of two years preceding the date of application for AEO Tier - II status;
2. an applicant that is a logistics operator - Customs Broker, Bondsman, Warehouse Operator, Terminal Operator, Manufacturer – may initiate an application for AEO status from [date to be inserted];
3. the conditions outlined in 5.1.1-5 must be complied with;
4. the appointment of a responsible contact person with appropriate corporate knowledge of supply chain security matters to provide information and raise awareness and involvement of the establishment; and
5. all other safety and security requirements as stipulated in the WCO SAFE Framework of Standards.

For elaboration of the qualification criteria, refer to the [Preparing your Application Booklet](#), which is an annexure to this Guide.

6. Procedure for Registration and Applying for AEO status

6.1. Registering as a potential applicant for AEO status

1. Prior to submitting the application form, you shall confirm that your company meets the conditions of eligibility; and you shall review the qualification criterion (questions) and prepare a checklist of your responses and a digital file of evidentiary proof (documents, photos, plans etc.) to substantiate your responses.

6.2. Applying for Customs to validate your qualification for AEO certification

1. If you are eligible and have decided to commence with the application, we recommend that you complete the questions, upload your evidentiary proof, and submit the AEO application in a timely manner.
2. Prior to submission of the completed application, you shall indicate:
 - i. A preferred (and alternative) date for the conduct of an on-site validation activity that best suits you and your company; and
 - ii. If you agree for the publication of your AEO certification to the SLC AEO Web Portal, if you are approved.
3. Submit a complete application through email to aeo@customs.gov.lk and CC to aeo.slcustoms@gmail.com. The application can be downloaded from Sri Lanka Customs Official AEO Website. <https://aeo.customs.gov.lk>.
4. When submitting the application, you shall attach the declaration form ensuring it is (digitally) signed by the managing director of the company with the company stamp. And within the declaration, you shall attest:
 - i. That the information given in the application is true and correct;
 - ii. To inform the Customs of any change in the particulars declared in the application form or given in support of the particulars, prior to the commencement of the AEO validation process;

- iii. To offer all practicable assistance to Customs who are responsible for the validation and/or post-certification monitoring checks; and
- iv. Your agreement that if any information is found to be false or incorrect, the Customs has the right to reject my application or cancel my status.

6.3. Acknowledgement of Applications

1. Each application will be acknowledged via an email by the AEO Validation team.
2. You shall retain a copy of the submitted application and the dossier/digital file of evidentiary proof in preparation for the Customs AEO validation process.

7. Validation of the Application

1. On receipt of the complete application along with all necessary supporting documents; the AEO Validator will ensure the applicant is eligible to apply and verify if the documentary proof required to assess the eligibility conditions and criteria for granting the AEO certificate are submitted by the applicant.
2. During the course of such validation, the applicant for the AEO status should be prepared to answer questions or provide additional information on all aspects of the application to the AEO Validation Team.
3. If necessary, further information and/or documents in support of the applicant's claims may be requested by the AEO Validator:
 - i. such request shall be sent in writing by email.
 - ii. the applicant shall submit such information and/or documents within a reasonable time to continue the processing of the application.
4. If the AEO Validator deems additional verification methods regarding the information presented in the applications are necessary, the applicant will be requested to come for an interview at a time convenient to the applicant.
5. If the AEO Validator deems further validation is required by means of a visit to the applicant company;
 - i. based on the documents submitted by the applicant, the AEO Validator may inspect all premises which are relevant to the Customs-related activity of the applicant;
 - ii. duration of any validation visit(s) would usually depend on factors such as the size of the business, number of premises and how the applicant operates;
 - iii. the AEO Validator will give the applicant an estimate of time required, though this may have to be amended once the validation is commenced;
 - iv. the date(s) for the validation visit will be decided by the AEO (Validation) Team in consultation with the applicant;
 - v. the course of on-site validation, the nominated contact person representing the applicant must ordinarily be available, unless unforeseeable situation arises;
 - vi. individuals responsible for specific business activities such as transport, record keeping, and security should also be available.
6. On completion of the validation;
 - i. the AEO Validator will prepare a comprehensive report covering all areas of the validation process;
 - ii. make an appropriate recommendation based on the findings - and the options will be certification without conditions, or certification with conditions, or denial of

certification; and

- iii. submit the report and recommendation to the to the next sitting of the AEO Committee.
7. If the recommendation to decline the AEO certification is accepted by the AEO Committee, the applicant will be advised of the criteria that have not been met, and the company is free to apply again once they are in a position to demonstrate compliance with all relevant qualification criterion.
8. If the recommendation is to award the AEO certification with conditions, the AEO Validator shall describe the expected remedial action to be undertaken by the applicant, and the timeframe for doing so, and the task for post-certification monitoring to ensure the applicant is fully compliant.

Note: If within 45 days of the date of application acknowledgement, the applicant has not been contacted by the AEO Team, then the applicant should contact the AEO Team immediately via the official email account - aeo@customs.gov.lk

8. Certification

1. When the AEO Committee finds the AEO Validator's nomination to be satisfactory, the applicant shall be issued with the AEO certificate within seven days of the positive determination being approved by the AEO Committee.
2. The successful applicant AEO is required to sign an agreement with the Customs. The Agreement confirms the authorisation, the term, conditions of membership in the AEO programme, and the trade facilitation benefits granted.

Note: A [sample of the agreement](#) is an annexure to this Guide.

9. Post Certification Provisions

9.1 Validity of the AEO Certifications

The validity of certificates shall be three years for both AEO TIER-I and AEO Tier - II statuses.

9.2 Renewal of the AEO Certifications

1. AEO status holders must submit their renewal applications before the lapse of their validity period as follows;

Status	Minimum time to submit application for renewal, before lapse of validity
AEO TIER-I	45 Days
AEO Tier - II	60 Days

2. The AEO Validator will consider the renewal applications by following the same procedure adopted while validating a first-time application for AEO status.

9.3 Maintenance of certification – obligation of the AEO

1. After obtaining AEO status, the AEO status holder should maintain their eligibility by continuing to adhere to the appropriate standards mentioned in the AEO agreement.
2. The AEO status holder is required to notify the AEO helpline or their AEO Relationship Officer of any significant change in their business and/or processes which may affect the certification as soon as the change is known. Such changes may include, but are not limited to:
 - i. change to the legal company.
 - ii. change of business name and/or address.
 - iii. change in the nature of business i.e. manufacturer / exporter etc.

- iv. changes to accounting and computer systems.
 - v. changes to the senior personnel responsible for Customs matters.
 - vi. changes of location or branches involved in the international supply chain.
3. If the legal company changes, the AEO status holder needs to immediately request withdrawal of the current certification and re-apply for the AEO status in the name of new legal company.
 4. If the AEO status holder makes any Customs related irregularities, errors, or omissions, they must voluntarily report the same to the AEO helpline or their AEO Relationship Officer. Irregularities, errors, or omissions that are voluntarily disclosed may not impact the AEO status provided that the AEO status holder has:
 - i. examined the reasons for such irregularities, errors, or omissions; and
 - ii. taken appropriate and remedial action to prevent recurrence.

9.4 Monitoring the AEO Status

1. The AEO Committee shall designate the period for monitoring checks at the time the AEO certification is authorised.
2. The designated Customs monitoring officers must be aware of any specific conditions set out in the Agreement signed by the operator when the authorisation was issued and will present a plan for conduct of the monitoring activity to verify continued compliance highlighting any identified risks or development areas identified during the evaluation process.
3. The monitoring should at least include the following:
 - i. a walk-through of the operator's premises to check the safety and security procedures examined at the validation stage are still in place and are being implemented;
 - ii. specific risks identified during the validation and included in the set of conditions should be checked periodically to ensure they are being adhered to;
 - iii. a random sample of the operator's CUSDECs should be checked for quality and accuracy of data declared on a periodic basis, having regard to the size, type of business, the volume of CUSDECs being submitted and the range of goods being handled;
 - iv. the operator's general tax compliance should be checked to ensure that there are no financial solvency issues;
 - v. reports of any audits carried out on the operator should be checked for any issues that might affect the operators AEO status;
 - vi. notification by the operator of any issues that may affect their AEO status should be investigated without delay and forwarded to AEO Team if necessary.
4. The conduct of, and outcome of the monitoring checks must be recorded and uploaded to the AEO web portal to the profile of that AEO, and recommendations for improvement, if any, shall be reported to the AEO Team or AEO Committee.

9.5 Suspension or Downgrading from AEO Status

1. The AEO Team may recommend to the AEO Committee to downgrade or suspend the AEO status in the following cases:
 - i. where it is discovered the AEO no longer meets the qualifying criteria;
 - ii. where any non-compliance with the conditions or criteria for the certificate of AEO status has been detected;
 - iii. If any fraud-based investigation has been initiated alleging infringement of Customs Ordinance and/or any other related laws;

- iv. where there is sufficient reason to believe that an act, which gives rise to Criminal Court proceedings and linked to an infringement of the customs rules, has been perpetrated by the AEO status holder;
 - v. in the case where the AEO trader (importer/exporter), custom broker, bondsman, warehouse operator, freight forwarder or any other logistics operator's basic license as the case may be, has been suspended by the competent authority; or
 - vi. where a certified AEO status holder is temporarily unable to meet any of the criteria they may request suspension of their authorisation. In such circumstances the AEO status holder must specify the reason for the non-compliance, the intended measures to regularise the situation and the time period required to regularise the situation. The time period may be extended if the AEO has acted in good faith.
2. The AEO Team may recommend to the AEO Committee to downgrade or suspend the AEO status, as deemed appropriate.
 3. In deciding to downgrade or suspend the AEO status:
 - i. the decision shall be taken after due diligence and on careful evaluation of the material evidence of the case and arguments against the AEO status holder;
 - ii. the AEO Committee may consult the Legal Affairs Directorate and Inquiry Officer before arriving at the final decision;
 - iii. the decision to downgrade the AEO status shall be purely an administrative decision.

Note: The following will apply to a suspended AEO certification:

- i. Suspension will not affect any Customs procedure already started before the date of suspension and not yet completed.
- ii. Suspension does not affect any other Customs authorisation that has been granted unless the reason for the suspension also has relevance for that AEO authorisation.

9.6 Restoration of Suspended/Downgraded AEO Status

1. Where the AEO status had been suspended on account of detection of any non-compliance with the eligibility criteria for AEO status;
 - i. if the AEO takes the necessary remedial measures to the satisfaction of the AEO Team within 60 days of suspension, the AEO Team may recommend restoring the AEO status to the AEO Committee;
 - ii. where the AEO status had been suspended on account of suspension of the operator's basic license, and subsequently such suspension of the license is revoked by the competent authority, the AEO Team may recommend restoring the AEO status to the AEO Committee;
 - iii. Where the AEO status had been suspended on account of initiation of any fraud-based investigation, the AEO Team may recommend restoring the AEO status to the AEO Committee, if the certified AEO status holder is exonerated in a judicial procedure.
2. In the event the AEO Tier - II status has been downgraded to AEO TIER-I; it shall be open to the company to apply again for AEO Tier - II status, as and when the eligibility conditions and criterion are met.

9.7 Revocation of AEO Status

1. In the following circumstances, but not limited to, the AEO status may be revoked;
 - i. where the AEO status is already suspended and the AEO status holder fails to take the remedial measure within the specified suspension period;

- ii. where any fraud-based investigation has been initiated alleging infringement of Customs Ordinance and/or any other related laws by the authorised AEO status holder, and of which there is no further right of appeal;
 - iii. where the AEO status holder requests the authorization to be withdrawn.
- 2. Prior to any decision to revoke AEO status;
 - i. the company will be duly notified; and
 - ii. revocation is applied from the day following the authorisation holder being notified.
- 3. In case the AEO status is revoked; both the AEO TIER-I or AEO Tier - II status holder will not be entitled to re-apply for the AEO Tier - I certificate for a period of one year from the date of revocation; and the AEO status holder will not be entitled to re-apply for the AEO Tier - II certificate for a period of three years from the date of revocation.

10.Appeals

Any applicant or certified AEO (person or company) who is aggrieved by a written decision by the AEO Committee in relation to a Customs matter covered by the Sri Lanka Customs AEO Operational Guide may appeal such a decision within 30 working days from the date of the decision. The procedures for an appeal are set out in the DOPL 1227J of 19.05.2021.

Annexure 1: Benefits Booklet

The Sri Lanka Authorised Economic Operator (AEO) programme is a government partnership with economic operators to streamline legitimate trade.

- AEO reduces red tape at the border for compliant and authorised economic operators and expedites the flow of your cargo in and out of Sri Lanka—which means faster access to market.
- AEO accredits Sri Lankan businesses that can demonstrate a secure international supply chain and compliant trade practices.
- AEO is a free and voluntary program administered by the Sri Lanka Customs (SLC). Once accredited, businesses have access to a growing range of benefits that simplify their customs processes.

Benefit Eligibility	AEO TIER-I Importer	AEO TIER-I Exporter	AEO Importer	AEO Exporter	AEO Logistics Provider
1. Expedited channels					
2. AEO cards					
3. Priority Trade Services					
4. Extended Priority Trade Services					
5. Access to dedicated cargo storage					
6. Use of Guarantees					
7. Front-of-Line Examinations					
8. Selection of examination place					
9. Reduced number of Customs examinations					
10. Exemption from stratified/random sampling					
11. Reduced number of Customs audits					
12. Prior Disclosures					
13. Reduction in on-site inspections for accredited Logistics Providers					
14. Exemption of Verification Charge					
15. AEO Relationship Officer (ARO)					
16. AEO help line					
17. Use of the AEO logo					
18. Seat at the Table					
19. AEO Mutual Recognition Agreement					
20. Access to the SLC AEO web portal					
21. Monthly Reports					

	What is the benefit?	Who may benefit?
1. Expedited channels	Dedicated channels will be established for the prioritised receipt and scrutiny of documents at the long room and other similar operational units of Customs, including: ▪ Customs Declarations ▪ Applications for advance rulings ▪ Submissions to the Appeals Directorate	All AEO TIER-I All AEO Tier-II
2. AEO cards	An <u>appropriate number</u> of identification cards will be granted to authorized personnel of the company in order to facilitate entry to the Custom Headquarters for official matters	All AEO TIER-I All AEO Tier-II
3. Priority Trade Services	You may be eligible to receive priority service when requesting advice or assistance for: ▪ Advance ruling applications ▪ Dispute resolutions relating to classification, valuation, or origin ▪ Special attendance outside of prescribed hours, and the relevant costs are still applicable Additionally, you will be notified (via SMS and e-mail) at the completion of each stage of the declaration process.	All AEO TIER-I All AEO Tier-II
4. Extended Priority Trade Services	You may be eligible to receive priority service when requesting advice or assistance for: ▪ Refund applications for Customs import duty ▪ Duty drawback ▪ Special attendance outside of prescribed hours, and the relevant costs will NOT be applied ▪ Business resumption - Following an event of natural disaster or force-majeure, you may be eligible for priority treatment to assist with resumption of your business operations that are Customs matters.	All AEO Tier-II
5. Access to dedicated cargo storage	Wherever feasible, SLC will coordinate with cargo custodians to provide dedicated space for your cargo within LCL warehouses and State/public bonds.	All AEO TIER-I All AEO Tier-II
6. Use of Guarantees	Wherever provision of a security is required, you may be eligible to furnish a corporate guarantee to cover 100% of the liability amount.	All AEO Tier-II
7. Front-of-Line Examinations	The consignments selected for physical examination will be processed on a priority basis at the cargo examination yards.	All AEO Tier-II
8. Selection of examination place	You may be eligible to request for the examination to be conducted at the client premises or other specific place.	AEO Tier-II EXP/IMP
9. Reduced number of Customs examinations	Customs will reduce the risk scoring methodology in the risk management system based on your certification/validation, thereby reducing the transactional scores below examination thresholds.	AEO TIER-I EXP/IMP AEO Tier-II EXP/IMP
10.Exemption from stratified/ random sampling	You may be eligible for exemption from selection of your consignments for random sampling.	AEO Tier-II EXP/IMP
11.Reduced number of Customs audits	You will be subject to one (structured) audit only within the three-year period of your AEO accreditation.	AEO Tier-II EXP/IMP

	What is the benefit?	Who may benefit?
12. Prior Disclosures	If Customs becomes aware of errors that fall within specified commercial compliance statuses, the Customs will provide a written notice of such errors and allow you 30 calendar days to file a prior/voluntary disclosure notice (with no penalty).	AEO Tier-II EXP/IMP
13. Reduction in on-site inspections for accredited Logistics Providers	You will be liable for an on-site inspection once every two years if you are an AEO-accredited Bondsman or Warehouse Operator.	AEO LP
14. Exemption of Verification Charge	If you are a registered Bondsman and also AEO-accredited, you will exempt from the annual verification charge.	AEO LP
15. AEO Relationship Officer (ARO)	You will be assigned an ARO will be assigned as your single point of interaction with Customs	All Tier-II AEO
16. AEO Helpline	You will be able to access an online form to request for assistance and/or enquiry of a legitimate concern, that can be emailed direct to the AEO team, who will respond in timely manner. It is envisaged that enquiries that frequently asked and which have a common response, will be added to the AEO portal FAQ section.	All AEO TIER-I
17. Use of the AEO logo	Upon accreditation, you will be given access to the Customs AEO logo files, which can be used on business materials to promote your accredited status.	All AEO TIER-I All AEO Tier-II
18. Seat at the Table	You may be eligible for a 'seat at the table' to share your ideas for the ongoing development and evolution of the Sri Lanka AEO programme, and to participate in pilot trials for new benefits, trade initiatives and MRAs.	All AEO Tier-II
19. AEO Mutual Recognition Agreement	Your AEO status will be recognised by foreign Customs administrations with whom Sri Lanka enters into Mutual Recognition Arrangements (MRAs).	AEO Tier-II EXP AEO LP
20. Access to the SLC AEO web portal	Upon accreditation, you will be provided exclusive access to the AEO portal, which will be your primary communication device with the SLC and the assigned ARO.	All AEO TIER-I All AEO Tier-II
21. Monthly Reports	You may be eligible to receive a monthly report automatically generated from the Customs system that summarises every import or export declaration lodged under your registration in the past month.	AEO Tier-II EXP/IMP

Annexure 2: Preparing your Application

A Introducing the Application form

In the application form, we will ask you to provide the following information in relation to your company:

General Information

We need to know who owns your company and how it is structured. This helps us to understand how your company operates and who the key decision makers are. We also need visibility of your ultimate corporate structure to understand your company's international supply chain.

Supply Chain and Accreditation

We need to know what activities your company undertakes in the international supply chain. We will assess your company's activities against the applicable standards of supply chain security and trade compliance.

Operating and Financial Systems

We need to understand how your company manages its commercial systems and records; how your company manages and stores records, and whether we can assess accurate and complete documentation when required. Of particular interest are your operating systems for managing cargo and logistics, and financial systems.

Risk Assessments

We need to know how your company undertakes security risk assessments and protects against identified risks posed to its international supply chain activities. This will help us understand how your company assesses its operational context, and whether it adequately protects against risk. Refer to the last chapter in this annexure which describes the security risk management requirements.

Policy and Training

We must be satisfied that your company has appropriate personnel security measures in place in relation to the personnel employed, and any contractors or third parties engaged to undertake activities on behalf of, or with, your business.

Third Parties

We are interested in the types of third parties engaged by your company, if any, and how these third parties are involved in your company's international supply chain. A company that engages third parties to undertake activities related (directly or indirectly) to their international supply chain, will be dependent on the security standards and proper conduct of these parties in order to ensure the security of goods.

Premises

We must be satisfied that your business takes appropriate physical security measures throughout its international supply chain, especially in relation to its premises, transportation and any dealings with containers and goods.

B How to complete the Application form

The criteria and standards to be assessed at either AEO TIER-I or AEO Tier-II level will apply, where applicable, to the applicant, any person in charge or exercising control over the management, or any representative or legal person responsible for the Customs and security matters within your organisation.

The application form is designed with questions requiring responses of YES, NO or NOT APPLICABLE, and/or requiring the submission of data/information that supports your response. Your response to some questions will mean that it is mandatory to further specify the response, or to attach a document as proof of your response. For each criteria which requires attached document, prefix the document name with the number of the criteria to which it relates, for example "4_TIN-companyXYZ" and submit the documents with the application form.

The Application form is ordered relevant to the level of accreditation for which you are applying, and as per the categories tabled below.

AEO TIER-I - Authorised Economic Operator TIER-I (58 questions)	1	Company details
	2	Location details
	3	Consultation, Cooperation and Communication
	4	Operational details
	5	Legal Compliance
	6	Financial Compliance
	7	Management of systems and records
	8	Education, Training and Awareness
AEO Tier-II - Authorised Economic Operator Tier-II (all above + 77 questions)	Including the questions above, and:	
	8	Premises Security
	9	Cargo Security
	10	Container Security
	11	Conveyance Security
	12	Personnel Security
	13	Business / Trading Partner Security
	14	Crisis Management and Incident Recovery

In order to complete the application form, you may need to consult with various key personnel from across your business and review commercial records and documentation.

The explanatory notes should be used as a guide when you are preparing for and completing the application form. We urge you to examine these explanatory notes in-depth prior to initiating an application; that is, to prepare a checklist of your responses and a digital file of the requisite documents, photos, plans ready to upload at the appropriate questions and to retain as the portfolio of evidence. By planning fully in advance, we estimate the online application can be initiated from the Customs AEO web portal, completed, and submitted, within a few hours.

Prior to completing this application form, you are requested to choose and enter a preferred date for the conduct of an on-site validation activity that best suits you and your company. Note that the preferred validation date must be at least two weeks, but less than two months, from the date of submission. The on-site validation is expected to last a maximum of 7 days. Please also include an alternative date should your initial preference be unavailable.

Preferred Validation date: (DD/MM/YYYY)

Alternative Validation date: (DD/MM/YYYY)

If at any stage you require assistance, while completing the application form, we encourage you to contact the AEO Team at aeo.slcustoms@gmail.com / aeo@customs.gov.lk.

C What is the AEO Validation?

During the site visit by the Customs AEO Validator team, you should have ready access to, and be able to provide policies, standard operating procedures, process maps, records, and other relevant information for inclusion in the portfolio of evidence, and you will be required to facilitate a walk-through of the procedures and controls that demonstrate your compliance with the AEO qualification criterion.

In concluding the validation process, the Customs AEO Validator will consider the following:

- If you have provided full access to necessary records and made available any authorizations, powers of attorney and licenses relevant to the importation or exportation of goods.

- If the system facilitates for a full audit trail of Customs activities or the relevant movement of goods or accounting entries.
- Whether your company's system has adequate capability to securely capture, store/archive, process, manage, retrieve, protect, and report timely, accurate, complete, and verifiable supply chain records.
- If you have policies, procedures and/or guidelines in place for the management of records.
- If you have internal control systems which we find satisfactory.
- If your company's internal control system identifies, and reports process discrepancies, to ensure proper implementation of documentary procedures.
- If you have fulfilled (during a certain period) your financial obligations regarding payments of Customs and all other duties and taxes.
- If you are subject to Insolvency.
- If you can demonstrate that you have sufficient financial standing to meet your obligations and fulfil your commitments.
- If there were disruptions which could have impacted financial viability and your respective turnaround strategies.
- If there is evidence of implementation confirming that you have written and verifiable processes for the selection of business/trading partners and external service providers.
- If and how you have taken appropriate measures to provide adequate evidence that the business/trading partner can meet an acceptable level of security and safety standards.
- The effectiveness and efficiency of the governance, risk management, and control processes.
- If and how any areas of non-compliance, risk or inefficiency are addressed.

The recommendation of the Customs AEO Validator team will be presented to the Customs AEO Committee, who have the discretionary authority to decide on the merits of each application and the validator findings and recommendation.

Refer to the AEO Operational Guide for explanation on the steps following the submission of your application and following the validation process.

D What are the Security Risk Management Requirements

What is Risk Management?

Risk management is the identification, assessment, and prioritisation of risks with a coordinated application of resources to minimise, monitor, and control the probability and/or impact of events.

Security risk management is the specific culture, processes and structures that are directed towards maximising the benefits of security in support of business objectives.

Adopting a risk-based approach allows a business to prioritise their activities based on the likelihood and consequence of a risk being realised. It also assists businesses to maximise outcomes while minimising the occurrence or effects of events that may negatively affect outcomes.

Why do AEOs need a Security Risk Management process?

We require companies to assess and formally implement a security risk management process, as exploitation of the international supply chain can have multiple negative effects, not just on a business, but also on the wider community. In order to understand and develop a security risk management process, businesses need to identify:

- Areas of vulnerability within their international supply chain
- Who would exploit their international supply chain and why
- How their supply chain could be exploited and why
- What would be the likelihood of this occurring
- What would be the consequence

- Appropriate measures to reduce risk to a tolerable level
- Residual risks (such as doing business on the internet) and allocate responsibility for managing these risks.

What is an appropriate level of Risk Management?

An appropriate level of security risk will vary from business to business; however, the process should be transparent and justifiable. Risk avoidance is not risk management. Regardless of a company's supply chain, functions or security concerns, the central messages for managing security risks are:

- Security risk management is the responsibility of each staff member, and including contractors
- Risk management, including security risk management, is part of day-to-day business
- The process for managing security risk is logical and systematic, and should form part of the standard management process of the business
- Changes in the threat environment are to be monitored, and necessary adjustments made, to maintain an acceptable level of risk and a balance between operational needs and security.

What is the goal of Security Risk Management?

The goal of Security Risk Management is to embed risk management as part of the culture of the business, where a shared understanding of risk leads to well informed decision making. To achieve this, businesses should:

- Establish the scope of any security risk assessment and identify the specific supply chain, people, information and/or assets to be safeguarded
- Determine the threats to people, information, and assets in Sri Lanka and abroad, and assess the likelihood and impact of a threat occurring
- Assess the risk based on the adequacy of existing safeguards and vulnerabilities
- Implement any supplementary protective security measures that will reduce the risk to an acceptable level.

Further Information

ISO 28000:2007 Specification for Security Management Systems for the Supply Chain.

E Qualification criterion – Questions and Explanatory Notes

1. Company Details

Qualification Criteria		Explanatory Notes
C1	What is your company known by?	State the name and date of establishment [DD/MM/YYYY] and provide the detail if you previously conducted the same business activities under another name/identity.
C2	Have you previously conducted the same business activities under another name? Yes / No	<i>If YES</i> , state the previous company name.
C3	What is the legal form of your company? Select an option from the following: ▪ Sole Proprietorship ▪ Partnership ▪ Private Ltd Liability ▪ Public Ltd Company ▪ Corporation ▪ Government ▪ Other	<i>If OTHER</i> , you must describe the type of business.
C4	What is the size of your company/operations? Select an option from the following: ▪ Micro ▪ Small ▪ Medium ▪ Large	Also indicate how many people are employed in your company?
C5	Is your company registered? Yes / No	Attach proof of your company's registration, and number.
C6	Do you have a TIN registration? Yes / No	Attach proof of your company's taxpayer identification number.
C7	Do you have a VAT registration? (Only Permanent VAT Registration numbers are allowed) Yes / No	Attach proof of your company's VAT number.
C8	List all the Directors of your company.	Provide the details of all the Directors of your company. ▪ Name [FIRST, LAST] ▪ Date of birth [DD/MM/YYYY] ▪ NIC ▪ Contact e-mail ▪ Contact – mobile telephone
C9	What type of industry does your Company operate in? Select an option from the following: ▪ Automotive ▪ Pharmaceutical ▪ Textile ▪ Chemicals & plastics ▪ Information Technology &/or Electronics ▪ Metals & Minerals	<i>If OTHER</i> , state the industry classification most relevant.

Qualification Criteria		Explanatory Notes
	▪ Agriculture and processed food ▪ Other	
C10	What is the organisational structure of your company?	Attach an organisation structure diagram and a brief description of the tasks/responsibilities of each department.
C11	Are you a participant in any other SLC trade facilitation program? Yes / No	<i>If YES</i> , specify the name of the programme and the date you joined [MM/YYYY].
C12	Have you made a prior application for SLC trade facilitation that was declined? Yes / No	<i>If YES</i> , specify the date you made application [MM/YYYY], and the reasons for the denial.
C13	Have you previously held a SLC trade facilitation that was suspended or revoked? Yes / No	<i>If YES</i> , specify the certificate reference for your accreditation, whether it was suspended or revoked (or both), and the date of the final decision made for that accreditation [MM/YYYY].
A1	Who are your company owners / shareholders?	Provide the full details of each owner or main shareholder, including the percentage shareholding: ▪ Name [FIRST, LAST] ▪ Date of birth [DD/MM/YYYY] ▪ Address ▪ Contact e-mail ▪ Contact – mobile telephone ▪ % shareholding

2. Location Details

Qualification Criteria		Explanatory Notes
C14	What is your company's LOCATION for Customs Activities (where financial and business records are kept)? If there are more than one location, submit location details separately.	Specify the locations involved in Customs activities - specify each commercial place of operation separately, even if they are conducted at the same address. For example, you can use terms such as "Corporate Office", "Cargo Receipt (store)", "Cargo Release/dispatch (store)" etc. for differentiation. ▪ Place Name ▪ Approximate number of employees at site ▪ Address ▪ City ▪ District ▪ Postal Code ▪ Phone ▪ Fax Number ▪ Email Address (<i>if you have a generic ID for that operation</i>) ▪ Google map pinning location (attach*) ▪ Site Plan (attach**) *You are not required to insert the Google Map more than once if the locations share the same

Qualification Criteria		Explanatory Notes
		address. **Ideally, the site plan should identify each location of your company that is involved in Customs related activities from which the perimeters, access routes and the location of the buildings can be identified. A single site map will suffice if the nominated locations share the same address. Also specify locations where a third party executes outsourced activities for your company.
C15	Are there any other businesses, that are co-located on the same premises? Yes / No	<i>If YES</i> , state the name of the other non-related companies and their business activity in general terms. You may attach a directory of company is listed in an industrial park, if applicable.
C16	Does a third party execute outsourced Customs related activities for your company in this location? Yes / No	<i>If YES</i> , state the name of the company/business and their business activity in general terms. And ensure the site plan provided for the question above, indicates the connecting perimeter with this co-located business.

3. Consultation, Cooperation and Communication

Qualification Criteria		Explanatory Notes
C17	Did you have external assistance for preparing this application? Yes / No	If you did involve a Customs representative or a third party to prepare this application, state the name of this individual. There is no detriment to having assistance for preparation of the application, as long as the application is submitted and certified as accurate by yourself.
C18	Have you designated a person or persons, at least at managerial level, with experience/ knowledge on Customs matters? Yes / No	Provide full details of the prime and alternate persons in charge of your Customs matters. ▪ Name [FIRST, LAST] ▪ Date of birth [DD/MM/YYYY] ▪ Address ▪ Contact e-mail ▪ Contact – mobile telephone ▪ Designation within the company ▪ NIC/Passport
A2	Have you introduced an AEO unit to be responsible for managing and handling all AEO matters and communication with Customs? Yes / No	Whilst it is not mandatory for your company to integrate an AEO unit within your organisational structure, doing so is advantageous for direct liaison with the AEO Validator, the AEO Relationship Officer, and Customs in general.
A3	Have you designated a person or persons, at least at managerial level, with experience/knowledge for safety and security related matters. Yes / No	Provide full details of the prime and alternate persons in charge of your safety and security matters. ▪ Name [FIRST, LAST] ▪ Date of birth [DD/MM/YYYY] ▪ Address ▪ Contact e-mail

Qualification Criteria	Explanatory Notes
	- Contact – mobile telephone - Designation within the company

4. Operational Compliance

Qualification Criteria	Explanatory Notes
C19 <i>For AEO Tier-I applicant only:</i> What is your role in the international supply chain? For a AEO Tier-I applicant, the options are: - Importer (no export) - Exporter (no import) - Importer & Exporter - Other	We need to know what activities your business undertakes in the international supply chain. <i>If OTHER</i> , specify your role in the international supply chain.
A4 <i>For AEO Tier-II applicant only:</i> What is your role in the international supply chain? For an AEO applicant, the options are expanded, and you may select more than one according to the diversity of your operations: - Importer (no export) - Exporter (no import) - Importer & Exporter - Manufacturer - Customs broker - Freight forwarder - Transporter/cargo carrier - Cargo terminal operator - Storage facility - Other	We need to know what activities your business undertakes in the international supply chain. <i>If OTHER</i> , specify your role in the international supply chain.
C20 Have you been continuously involved in international trade for at least three years preceding the date of application? Yes / No	<i>If NO</i> , specify the date [MM/YYYY] when your company was registered for the purpose of operations in the international supply chain of a Customs related activity; and whether this you are a newly established company or an internal reorganisation of a previously existing company.
C21 Do you perform Customs clearance for your own Company? Yes / No	
C22 Does someone else perform Customs clearance for your Company? Yes / No	<i>If YES</i> , specify by whom and how (directly or indirectly) you are represented.
C23 Do you perform Customs clearance for other companies? Yes / No	<i>If YES</i> , specify who you represent – list 5 of your most significant clients, and how you represent them.
C24 Have you submitted at least 75 CUSDECs during the last three financial years? If you select "NO", you are not eligible for this program. Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company is not involved in handling CUSDECs. Indicate "NO", if your company is involved in import or export business and you have not handled at least total 75 CUSDECs during the preceding three financial years and specify the

Qualification Criteria		Explanatory Notes
		number of CUSDECs that you did handle during the preceding three financial years.
C25	Specify the volume and value of your Customs transactions for the last three preceding financial years Furnish these details in an attachment.	- Total number of IMPORT CUSDECs, Total CIF value in LKR, Total duties paid in LKR for each year. - Total number of EXPORT CUSDECs, Total FOB value in LKR, Total duties paid in LKR for each year.
C26	Does each Customs House Agent making CUSDEC on your behalf (either in-house or contracted) possess an individual and personal ID/access to the Customs system? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company is not involved in handling CUSDECs. Companies should ensure their IDs/passwords for accessing the Customs system are not shared with their brokers.
C27	Do you have documented SOP (Standard Operating Procedure) to ensure that the accuracy of documents handed over to the Customs House Agent? If "YES", please attach the SOP. Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company is not involved in handling CUSDECs. Documented procedures should be in place to ensure that the documented information used in the movement and clearance of cargo, both electronic and manual, is legible, complete, accurate and protected against the exchange, loss, or introduction of erroneous information. When in doubt over the information provided by the exporters or importers, the company should conduct an independent verification. Such verification records should be captured. If information is received through Electronic Data Interchange, there should be system validation checks or onsite demonstration of checks done.
C28	Do you have documented SOP (Standard Operating Procedure) to ensure that the accuracy of the CUSDECs prepared by the Customs House Agent prior to the submission of the CUSDECs to Sri Lanka Customs? If "YES", please attach the SOP. Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company is not involved in handling CUSDECs.
C29	Do you have a satisfactory procedure in place to prevent unauthorised Customs declarations being made in the Company name? Please attach proof of evidence. Yes / No	<i>If YES</i>, specify the procedure or attach to this application.
C30	Do you deal with goods which are under total prohibition or precursor chemicals which can be used in the manufacture of drugs, or materials for weapons of mass destruction? Yes / No	<i>If YES</i>, specify the goods and any permits/licences approved to facilitate your trade in these goods.
C31	Have you made application for refund of Customs duties in the preceding three financial years? Yes / No	<i>If YES</i>, specify the number of applications, and reasons for refund.
C32	Do your activities require any license or authorizations connected to Imports/Exports? Yes / No	<i>If YES</i>, specify the procedure and submit with this application. Additionally, specify each current licence/approval you hold, the goods for which

Qualification Criteria		Explanatory Notes
		they are relevant, and the authorising government agency/department.
C33	Are the company owners and employees aware they need to inform Customs whenever difficulties are encountered with complying with Customs requirements? Yes / No	<i>If YES</i> , provide evidence of the procedure or statement to employees in which this compliance note is recorded.
C34	Provide below documents related to your Customs Activities.	▪ Process Map Illustration ▪ Purchase Invoice (sample) ▪ Sales Invoice (sample) ▪ Goods Receipt Note (sample) ▪ Record Keeping Mechanism ▪ Transport Document (sample)

5. Legal Compliance

Qualification Criteria		Explanatory Notes
C35	Are there any ongoing Customs investigations or prosecutions against your company? Yes / No	<i>If YES</i> , specify the ongoing investigations or prosecutions, and the date they were initiated [MM/YYYY].
C36	Have you ever been convicted of a Customs offence? Yes / No	<i>If YES</i> , specify the offence and the date of the judgment [MM/YYYY].
C37	Have your company directors been convicted of a Customs offence within last three years? Yes / No	<i>If YES</i> , specify the person, their current position, the offence, and date of the judgement [MM/YYYY].
C38	Do you have any on-going classification, valuation, or origin disputes, or other administrative appeals with Sri Lanka Customs? Yes / No	<i>If YES</i> , specify details of the on-going matter, and the date it was initiated [MM/YYYY].

6. Financial Compliance

Qualification Criteria		Explanatory Notes
C39	Is your accounting system in line with the Generally Accepted Accounting Principles (GAAP) or Sri Lanka Accounting Standards (SLFRS)? Yes / No	We want to know if Company has verifiable procedures consistent with Generally Accepted Accounting Principles (GAAP) or Sri Lanka Financial reporting Standards (SLFRS) for backup recovery, fall-back archiving, and retrieval of all records in existence. <i>If NO</i>, specify the measures implemented to enable compliance.
C40	Was your company financially solvent during the three financial years preceding the date of application? Yes / No	You shall indicate whether audited financial statements or other evidence of financial viability are available for the preceding three financial years. <i>If YES</i>, provide the Solvency Certificates for those financial years that you were solvent. <i>If NO</i>, specify the period of time (dates) that you

Qualification Criteria		Explanatory Notes
		were insolvent.
C41	Were you declared as financially insolvent (bankrupt) at any time within the past three years preceding the date of application? Yes / No	<i>If YES</i> , specify the date of the judgment [MM/YYYY].
C42	Do you currently have any Customs related contingent liabilities? Yes / No	Additionally, you shall specify the Customs liability amounts for the preceding three financial years, in LKR
C43	Were your Company's net current assets positive for the preceding three financial years? Yes / No	In a separate document (or documents) to be submitted with this application, provide the company's balance sheets for the three preceding financial years.
C44	Are you able to pay all of your Customs debts as and when they fall due? Yes / No	
C45	Are your company bank accounts active? Yes / No	<i>if NO</i> , specify why there is no active bank account.
C46	In a separate document, attach the list of all the company's bank account details that you use for payment of Customs debts.	Provide your bank account details that you use for payment of Customs debts.

7. Management of Systems and Records

Qualification Criteria		Explanatory Notes
C47	Does your company use an internal business operating system which cover Procurement, Accounting and Inventory Management? (E.g.: - SAP, ERP) Yes / No / Not Applicable	Indicate "NOT APPLICABLE", if you are not involved in this activity or are only an importer or only an exporter.
C48	If you are both an importer and exporter, do you use the same internal business operating system for both imports and exports? Yes / No	<i>If YES</i> , describe the operating system and provide details of the software and date of implementation [MM/YYYY], whether there is traceability between the Company's general system and any system used for Customs matters. <i>If NO</i> , describe the operating systems which are manual.
C49	Does your company manage and store all commercial records internally and accessible to Customs? Yes / No	
C50	Do you engage a third-party service provider to manage and store all commercial records, in part or entirely, on your behalf and accessible to Customs? Yes / No	<i>If YES</i> , state the name of the third party, and ensure their details are noted at the Locations tab within this application form.
C51	Do you have a proper administrative setup and adequate internal controls to detect illegal and irregular transactions made using the company	<i>If YES</i> , briefly describe: the controls put in place to protect information/documents from

Qualification Criteria		Explanatory Notes
	name? Yes / No	unauthorised access, abuse, intended destruction and loss; (e.g. constricted access rights, creation of electronic backups); - the categories of employees who have access to detailed data about the flow of material and goods; - the categories of employees that are authorised to change this data and how the changes are documented; and - how you mitigate cyber intrusion.
C52	Have your internal control processes been subject to any internal or external audit review? Yes / No	<i>If YES</i> , specify if the audit applied to your Customs matters, and provide a copy of your most recent audit report.
C53	Do you have documented procedures to control the access to IT data related to Customs matters? Yes / No	<i>If YES</i> , submit the IT/Policy procedures with this application. It is acceptable to have separate procedures, so long as the procedures cover the controls over access to systems with information pertaining to Customs matters that are specific to the scheme being applied such as stocks/goods, billing, shipping information. The policy/IT procedures should specify: - How access is managed, i.e. the access to view input, and change data should be limited to a need-to basis. There should also be restricted access to the data backup and/or server data. This should be accompanied with proper segregation such that generally no one person should have access to the entire end-to-end workflow; and - Who (job position) may access information under what circumstances (role(s)/function(s) to be granted access), which can be covered using an access control matrix.
C54	Do you have appropriate information technology security measures in place to protect your computer systems from unauthorized intrusions? Yes / No	<i>If YES</i> , briefly describe: - the actions you have taken in order to protect your computer system from unauthorised intrusion (e.g. firewall, antivirus programme, password protection); - how access rights for the computer systems are issued; - who is responsible for the running and protection of the computer system; - the guidelines or internal instructions for IT security; - how you monitor that IT security measures are followed inside your Company;

Qualification Criteria		Explanatory Notes
		▪ if intrusion testing has been carried out, and if so, what were the results and were any corrective measures taken; and ▪ if you have experienced any IT security incidents in the last year.
C55	Do you have backup and recovery measures in place for archiving and for protection against loss of information? Yes / No	<i>If YES</i>, briefly describe: ▪ the location of where your main server is located; ▪ how the main server is secured; ▪ the procedures for back-up, recovery, fall back, archiving and retrieval of your business records; ▪ how you recover data from the backup system; and ▪ the period of time the data is saved in the production system, and the period of time the data is archived.
C56	Have you had any cases of unauthorised access to data, loss, or misuse of data in relation to your operating or financial systems in the past 12 months? Yes / No	<i>If YES</i>, briefly describe: ▪ what the incident was; ▪ what was involved; how the company responded; and ▪ what has since been done to reduce the possibility of this type of incident happening again.

8. Education, Training and Awareness

Qualification Criteria		Explanatory Notes
C57	Do you provide training on Customs procedures to relevant employees? Yes / No	<i>If YES</i>, briefly describe the training involved. Examples of training include customs procedures on importation/exportation of goods, requirements for preparing Customs declarations, terms, and conditions of the Customs scheme/licence, controlled and dutiable goods, valuation, etc. The competency courses conducted by Customs can be considered as training on customs procedures. Training can also be conducted in-house by the company. Relevant employees refer to those involved in trade-related function. Training can be conducted through any of the following: ▪ E-learning; ▪ Classroom training; ▪ On-the-job training, documented procedures, policies; ▪ Signage, memo, computer pop-up message, notice boards, etc.; and ▪ Written or online test to be submitted by employees.

Qualification Criteria		Explanatory Notes
C58	Do you provide updates to relevant employees on the latest Customs procedures and requirements? Yes / No	Relevant employees involved in trade-related functions and/or dealing with customs matters should be updated on the latest customs procedures and requirements. <i>If NO</i> , briefly describe the sources of information you rely on for updates in Customs procedures and requirements.
A5	Do you provide security awareness training to relevant employees at least once a year? Yes / No	<i>If YES</i> , briefly describe the training involved. Through the training, relevant employees should recognise and foster awareness of security threats. The content of the training should cover all but not limited to the following areas: ▪ Recognising potential security risks (e.g. bomb threats, office theft); ▪ Maintaining cargo integrity - for employees handling cargo, e.g. warehouse staff, drivers; ▪ Protecting access controls to the company's premises and information - for security employees, relevant IT employees and employees handling information; and ▪ Challenging and reporting unauthorised persons within company's premises. Employees should be made aware of the procedures the company has in place to address a situation and how to report it.
A6	Do you provide functional training for employees involved in security-related functions? Yes / No	<i>If YES</i> , briefly describe the training involved. Personnel with security-related functions could include Security Managers, Directors etc. and should not be limited to security guards. Functional training should be provided for personnel involved in security-related functions at least once every 3 years.
A7	Do you provide functional training on strategic goods control for new employees with export-related roles? Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company does not deal with strategic goods. <i>If YES</i> , briefly describe the training involved. The company should provide functional training sessions to ensure that employees who have export control related duties are aware of their responsibilities under strategic goods control.
A8	Do you provide awareness training on strategic goods control for new employees? Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company does not deal with strategic goods. <i>If YES</i> , briefly describe the training involved. The company should provide general awareness training for relevant employees (excluding janitors, security guards, etc.) to ensure that they are aware of the company's obligations under the law. The policy statement should also be communicated to all employees to ensure that they are aware of the importance of compliance to strategic goods control.

	Qualification Criteria	Explanatory Notes
A9	Do you provide updates on strategic goods control to employees with export-related roles? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company does not deal with strategic goods. <i>If YES</i>, briefly describe the training involved. The company should update employees with export-related roles on any changes to the strategic goods control or to the company's procedures relating to strategic goods control. It is important to ensure that the training materials are revised such that the information is current and relevant.

9. Premises Security

These questions do not apply to any physical premises where domestic cargo is managed. If the premises involve supply chain activities, tenants are still required to provide documented procedures, e.g. landlord's documented procedures for premises security matters. For companies with multiple premises, evidence should be provided for all premises involved in supply chain activities.

	Qualification Criteria	Explanatory Notes
A10	Do you own, rent, or control any of the physical premises where international cargo is manufactured, dispatched, received and/or stored? Select an option from the following: ▪ Owner ▪ Renter / leaseholder ▪ Controller	Select the options appropriate to your operational relationship to the premises: If you are not the owner, specify who is the owner of the premises and your commercial relationship with the owner.
A11	Do you have Company personnel overseeing security? Yes / No	The company should appoint a person or unit to oversee the overall security of the company. The person or unit's responsibility is to ensure that the appropriate measures are in place to enhance the company's supply chain security standards.
A12	Do you use the services of a security company? Yes / No	The company may engage the services of a security organisation to further enhance the security of their facilities. <i>If YES</i>, identify the name of the security company, if they have made a threat assessment of your company, and if so, when was it undertaken; and/or if they have identified security risks in relation to the AEO security criteria.
A13	What security features are available at your company's sites? Select the options appropriate to your physical security set-up: ▪ Locks on doors/ windows ▪ Swipe card access ▪ ID cards/uniforms ▪ Visitor register/tracking ▪ Perimeter barrier ▪ CCTV	<i>If OTHER</i>, describe the feature/s.

Qualification Criteria		Explanatory Notes
	▪ Intrusion/Alarm system ▪ Security guards ▪ Overnight security monitoring ▪ Other ▪ None of the above	
A14	Do you apply the same physical security standards and features to each of the sites? Yes / No	<i>If NO</i> , describe the site and the difference/s.
A15	Do you have documented procedures to inspect the integrity of the physical security installations at the perimeter of your company's premises? Yes / No	All physical security installations at the perimeter of the company's premises should be regularly inspected for integrity and damage. There should be procedures to include what to look out for during the inspection and the follow-up actions. Physical security installations at the perimeter may include perimeter fencing, walls, electromagnetic or mechanical locks at the entrance/exits, intrusion alarm systems, video surveillance systems etc.
A16	Do you have a manned guardhouse or reception? Yes / No	Visitors to the company, including contractors and drivers, are required to report at the guardhouse or reception counter. Persons/drivers delivering or receiving cargo should be positively identified before cargo is received or released. If persons/drivers delivering or receiving cargo are pre-cleared, there should be pre-clearance documents available. Examples of records can include visitor names, vehicle plate number, date and time of entrance and exit.
A17	Are delivery drivers' identities checked against their photo IDs? Yes / No	
A18	Are photo IDs checked by the guard/receptionist? Yes / No	
A19	Are records on person and vehicle entry/exits maintained? Yes / No	
A20	Do you issue visitor passes? Yes / No	A positive identification structure should be in place to manage access control for visitors and vendors/ contractors. Visitors should be escorted and visibly display identification passes. The company should be able to track and trace the visitor passes that are issued.
A21	Are visitors only given access to areas needed for their visits? Yes / No	
A22	Are visitors required to be escorted at all times? Yes / No	
A23	Are visitors required to display the pass at all times? Yes / No	
A24	Are unauthorised vehicles prevented from parking at the cargo handling and storage area? Yes / No / Not Applicable	Indicate "Not Applicable" if your company does not handle cargo. Access to parking facilities should be controlled and monitored. Any vehicles that are not authorised to transport cargo are not allowed to park at the cargo handling and storage area. Some measures can include: ▪ Designated parking lots for private vehicles not meant to transport cargo; ▪ Signage; and ▪ Drop-arm barriers to allow only authorised

	Qualification Criteria	Explanatory Notes
		vehicles into the cargo area.
A25	Do you maintain records for issuance, or loss of keys or access rights (including biometrics)? Yes / No	Keys or physical access rights should be issued by authorised personnel. The company should minimally capture the following in the log: ▪ Who issued the items; ▪ Who received the items; ▪ What are the items; and ▪ When were the items issued. The procedures should address the risk of any unauthorised personnel picking up the lost items for intrusion into the facility. These can include loss reports, escalation process, and deactivation of access cards or change of locks. For companies using biometrics to assign and control physical access rights, there should be procedures to address different scenarios related to the breach of biometric access rights. Such scenarios can include data loss/breach, escalation process or follow-up actions following loss/breach of data and data recovery/backup.
A26	Is there adequate lighting at: ▪ Entrances and exits. ▪ Cargo handling and storage areas? ▪ Fence lines and perimeter? ▪ Parking areas? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company is a tenant, and lighting at the fence lines and perimeter are not under your company's control. [NB: during a validation site visit, only the space occupied by you as the tenant will be assessed.] Lighting helps employees and security officers to be alert of any unauthorised activities. Lighting should be bright enough to illuminate critical areas such that CCTV can capture clear images e.g. facial features, vehicle numbers, and night footages.
A27	Do you have an intrusion detection/alarm system at all entrances and exits? Yes / No	Alarm or intrusion detection systems serve to deter potential intruders from attempting to gain entry, detect possible intrusion, expand the area of security surveillance, and assist in post-incident investigations. If the company is a tenant, this refers to the alarm or intrusion detection systems covering the space occupied.
A28	Is there an intrusion detection response plan? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company does not operate an intrusion detection system. When the alarm goes off, there should be personnel who are tasked to contain the risk, trigger an investigation and the necessary recovery actions.
A29	Is the intrusion detection system tested periodically? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company does not operate an intrusion detection system. This is to ensure the alarm or intrusion detection system remains in good working condition. If the testing is outsourced to external vendors, then the alarm or intrusion detection system should be tested once a year.

Qualification Criteria		Explanatory Notes
A30	Are there cameras to monitor the cargo and container storage areas, loading and unloading bays, parking area, and entrances and exits? Yes / No	Video surveillance cameras serve to deter potential intruders from attempting to gain entry, detect possible intrusion, expand the area of security surveillance, and assist in post-incident investigations. If the video recording is not kept 24/7, the company should put in place measures (e.g. motion detectors) to mitigate any risk of unauthorised intrusion. If the company is a tenant, this refers to the cameras covering the space occupied.

10. Cargo Security

You may indicate “NOT APPLICABLE” if your company does not deal with containerised cargo, including containerised cargo for export purposes.

Qualification Criteria		Explanatory Notes
A31	Do you implement and maintain a security policy manual, for the - Movement of goods – on importation; on exportation? Yes / No / Not Applicable	
A32	Do you implement and maintain a security policy manual, for the - Warehousing of goods? Yes / No / Not Applicable	
A33	Do you implement and maintain a security policy manual, for the - Manufacturing of goods? Yes / No / Not Applicable	
A34	Do you implement and maintain a security policy manual, for the - Loading and unloading of goods at the premises? Yes / No / Not Applicable	
A35	Do you implement and maintain a security policy manual, for the - Conveyance/carriers of goods? Yes / No / Not Applicable	
A36	Do you delegate any third parties to operate the - Movement of goods – on importation; on exportation? Yes / No / Not Applicable	<i>If YES</i> , state the name of the company/individual who provides the service.
A37	Do you delegate any third parties to operate the - Manufacturing of goods? Yes / No / Not Applicable	<i>If YES</i> , state the name of the company/individual who provides the service.
A38	Do you delegate any third parties to operate the - Warehousing of goods? Yes / No / Not Applicable	<i>If YES</i> , state the name of the company/individual who provides the service.
A39	Do you delegate any third parties to operate the - Loading and unloading of goods at the premises? Yes / No / Not Applicable	<i>If YES</i> , state the name of the company/individual who provides the service.

Qualification Criteria		Explanatory Notes
A40	Do you have documented cargo receiving procedures for - Verifying the physical cargo against the shipping documents? Yes / No / Not Applicable	Procedures should be in place to ensure that arriving cargo is reconciled against customs permit and relevant shipping documents, such as commercial invoice, BL/AWB, picking list, release note and delivery/purchase order. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A41	Do you have documented cargo receiving procedures for - Endorsing on relevant documents to acknowledge receipt of physical goods? Yes / No / Not Applicable	Procedures should also be in place to check that arriving cargo is accurately described, weighed, labelled, marked, counted, and verified. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A42	Do you have documented cargo receiving procedures for - Labelling cargoes with lot numbers? Yes / No / Not Applicable	Procedures should be in place on endorsement (such as signature or stamp) requirements for cargo receipt. Documents pertaining to custody and responsibility over cargo transferred should be endorsed by the person delivering and receiving it. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A43	Do you have documented cargo receiving procedures for - Updating the inventory management system on the stock movements by the next working day? Yes / No / Not Applicable	Writing of the Stock Keeping Unit or Customs Lot numbers on the cartons is acceptable. This is important particularly if the stock movements are frequent and the system should capture such changes by the next working day. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A44	Do you have documented cargo releasing procedures for - Verifying the physical cargo against the Customs release and shipping documents? Yes / No / Not Applicable	Procedures should be in place to ensure that departing cargo is reconciled against customs permit and relevant shipping documents, such as commercial invoice, BL/ AWB, picking list, release note and delivery/ purchase order. Procedures should also be in place to check that departing cargo is accurately described, weighed, labelled, marked, counted, and verified. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A45	Do you have documented cargo releasing procedures for - Endorsing on relevant documents to acknowledge release of physical goods? Yes / No / Not Applicable	Procedures should be in place on endorsement (such as signature or stamp) requirements for cargo release. Documents pertaining to custody and responsibility over cargo transferred should be endorsed by the person delivering and receiving it. The endorsement can be hand-written, stamped or electronically captured. In essence, it should provide a unique identifier for tracking the person who endorses it. <i>If YES</i> , specify if there is a documented procedure and submit with this application.
A46	Do you have documented cargo releasing	This is important particularly if the stock

	Qualification Criteria	Explanatory Notes
	procedures for - Updating the inventory management system on the stock movements by the next working day? Yes / No / Not Applicable	movements are frequent and the system should capture such changes by the next working day. <i>If YES</i>, specify if there is a documented procedure and submit with this application.
A47	Do you have documented cargo discrepancies handling procedures for - Detecting and reporting cargo discrepancies in writing to Customs? Yes / No / Not Applicable	Procedures should be in place for reporting cargo discrepancies. Examples of cargo discrepancies include: ▪ Missing company stamps for cargo receipt; ▪ Irregularities on the physical integrity of containers; ▪ Damage or signs of tampering; ▪ Missing or compromised seals; ▪ Short landing and over landing of cargo; ▪ Discrepancies in cargo inventory; ▪ Detection of contrabands, controlled and prohibited items; and ▪ Any other anomalies detected <i>If YES</i>, specify if there is a documented procedure and submit with this application.
A48	Do you have documented cargo discrepancies handling procedures for - Investigating cargo discrepancies? Yes / No / Not Applicable	Procedures should be in place to ensure that incidents are investigated and analysed to determine the cause of the incident. <i>If YES</i>, specify if there is a documented procedure and submit with this application.
A49	Do you have documented cargo discrepancies handling procedures for - Implementing corrective and preventive measures? Yes / No / Not Applicable	The company should also document records of past incidents, including the nature and cause of the discrepancy, the investigation outcome, and the corrective and preventive measures implemented. <i>If YES</i>, specify if there is a documented procedure and submit with this application.
A50	Do you have documented cargo discrepancies handling procedures for - Communicating the measures to the relevant employee? Yes / No / Not Applicable	Relevant employees should be aware of the corrective and preventive measures put in place. <i>If YES</i>, specify if there is a documented procedure and submit with this application.
A51	Do you have different storage areas for imported goods, local goods, goods for export, high-value, and high-risk goods? Yes / No	It is important to recognise that goods of different risk levels and that are of different purpose regimes, should be stored separately, for example, hazardous goods, high-value goods, chemicals, weapons, air cargo/mail.
A52	Do you have an internal compliance program on Strategic Trade Goods which are under total prohibition, or precursor chemicals which can be used in the manufacture of drugs or material or weapons of mass destruction? Yes / No	<i>If YES</i>, describe the procedure.

11. Container Security

You may indicate “NOT APPLICABLE” if your company does not deal with containerised cargo, including containerised cargo for export purposes.

Qualification Criteria		Explanatory Notes
A53	If you interact directly with containers, do you have controls to preserve the integrity of those containers and guard against unauthorised access or tampering? Select the options appropriate to your container security controls: ▪ Seal Inspections ▪ Seal security and storage measures ▪ 7-point container check (documented) ▪ Pack/unpack procedures ▪ Repair/modification procedures ▪ Secure storage/location ▪ Record keeping procedures ▪ Structural inspections ▪ None of the above ▪ Not Applicable	Indicate "Not Applicable" if your company does not transport cargo.
A54	Do you have documented cargo receiving procedures for handling import/ transshipment containers that have been sealed by Customs? Yes / No / Not Applicable	<i>If YES</i> , briefly describe the procedure or attach an example.
A55	Is the individual who inspects the container required to endorse on the inspection checklist? Yes / No / Not Applicable	Procedures should be in place on endorsement (signature or stamp) requirements for container inspection.
A56	Do you store the containers securely to prevent the introduction of unauthorised material or theft of goods? Yes / No / Not Applicable	Containers are to be stored at designated secure areas where movement of people and vehicles are controlled to prevent unauthorised access and/or tampering. For instance, the storage area has to be locked down and monitored under CCTV. Containers loaded with duty-suspended goods should be stored in a place approved by Customs.
A57	Do you use high security seals that meet or exceed the PAS ISO 17712 standards? Yes / No / Not Applicable	For containers that are bound for the United States, the seals should meet or exceed the current PAS ISO 17712 standards for high security seals.

12. Conveyance Security

You may indicate “NOT APPLICABLE” if your company fully uses customer-appointed hauliers; or if your company fully receives cargo from vessels.

Qualification Criteria		Explanatory Notes
A58	If you transport international cargo, do you apply controls to preserve the integrity of that cargo while it is in transit? Select the options appropriate to your cargo	Indicate "Not Applicable" if your company does not transport cargo.

	Qualification Criteria	Explanatory Notes
	security controls: ▪ Locks / seals ▪ Inspections ▪ Unload procedures ▪ Recording of damage/loss ▪ Reconciliation procedures ▪ Notification procedures ▪ None of the above ▪ Not Applicable	
A59	Do you have procedures in place to ensure that all transport conveyances used for transportation of cargo within your supply chain are capable of being effectively secured? Yes / No / Not Applicable	Procedures should be in place to protect the conveyance (e.g. trucks, prime movers, trailers) against the introduction of unauthorised personnel and material, and to ensure that potential places of concealment on conveyances are regularly inspected. As a good practice, the following areas of checks are recommended: ▪ Locking mechanism; ▪ Undercarriage of conveyance; ▪ Interior compartments (glove box); ▪ Any signs of tampering; and ▪ Alarm system.
A60	Are loaded conveyances stored securely within the company's premises to prevent the introduction of unauthorised material or theft of goods? Yes / No / Not Applicable	Conveyances that are loaded with goods should be stored in a secured area to prevent unauthorised access and/or tampering.
A61	Do you track and monitor the movement of your conveyance/s? Yes / No / Not Applicable	Procedures should be in place to track and monitor the movement of conveyance carrying the cargo between companies and external parties. This can be done through a GPS monitoring system or two-way communication via phone/walkie-talkie.
A62	Do you provide training for drivers/ operators of conveyances? Yes / No / Not Applicable	Guidelines should be in place to train driver/operators on: ▪ Inspection of conveyance; ▪ Confidentiality on load, route, and destination; ▪ Policies on keys, parking area, refuelling or unscheduled stops; ▪ Reporting for accident / emergencies; ▪ Reporting of any irregularities in loading, locking, sealing and Customs permit information; ▪ Compliance with Customs permit conditions, e.g. produce permit/container for ICA's endorsement at checkpoints; and ▪ Testing of security alarms and tracking devices, if any.

13. Personnel Security

	Qualification Criteria	Explanatory Notes
A63	Do you have documented procedures to conduct pre-employment verification and background checks? Yes / No	For full-time employees: - The company should verify the accuracy of the information submitted by the prospective employee. This includes checking the applicants' identity and educational qualifications against the documents submitted. Background checks should also be conducted as appropriate and to the extent allowed under the national law. For part-time employees and odd-job labourers: - Minimal checks (for ID) are acceptable.
A64	Are prospective employees required to declare if they have any criminal and bankruptcy records? Yes / No	It is acceptable to have a declaration made by the prospective employee in the job application form.
A65	Are existing employees required to declare if they have criminal and/or bankruptcy records? Yes / No	It is acceptable to have a declaration made by the current employee in writing. This should be done at least once every year, or as and when there is a record.
A66	Do you conduct periodic or 'for cause' background checks on employees assigned to security sensitive positions? Yes / No	Periodic background checks such as criminal records and bankruptcy status, should be conducted on current employees in security-sensitive positions. The frequency of the checks should be as appropriate and to the extent allowed under the national law. Investigations should be conducted if the checks reveal anomalies. Checks should also be performed based on reasonable cause arising from further investigations into incidences such as whistleblowing, information/tip-offs received and employee self-declarations.
A67	Does your company - Positively identify employees for access control purposes and while in restricted areas? Yes / No	The employee passes or other means of positive identification should be worn by the employees while they are in the premises.
A68	Does your company - Have documented policy for the issuance, use and loss of an employee pass, or other means of positive ID for access control purposes? Yes / No	Only authorised persons can issue the employee pass or other means of positive identification based on access control, and such issuance should be tracked and recorded. The policy for handling loss of employee pass or other means of positive identification for access control purposes should address the risk of any unauthorised personnel using it.
A69	Do you have documented procedures to handle the resignation and termination of employees? Yes / No	A process to ensure that all company assets (e.g. keys, employee pass, communication devices etc.) are returned and all access rights are terminated before the employees leave the company. A checklist should be used and filed as

Qualification Criteria	Explanatory Notes
	records.

14. Business / Trading Partner Security

Business partners refer to current and prospective suppliers, manufacturers, service providers, contractors, and vendors that your company outsources or contracts elements of your company's supply chain to.

Qualification Criteria	Explanatory Notes
A70 Do you have documented procedures to screen or conduct background checks for business partners based on security criteria, prior to selection/renewal of a contract? Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company does not have business partners. Acceptable security selection criteria are: ▪ Ability to fulfil contractual security requirements; ▪ To have a security certification; or ▪ Business partner risk assessment. The screening procedures may include interviewing the business partners, conducting reference checks or the use of information provided by the business partner and external resources.
A71 Do you communicate your supply chain security requirements to your business partners, and secure their commitment to meeting them? Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company does not have business partners. The company should firstly set forth the security requirements for its business partners. This criterion assesses if the business partners are committed to meeting the company's supply chain security obligations. This can be demonstrated through: ▪ Contractual obligations ▪ Letter from a senior business staff attesting to compliance ▪ Written statement demonstrating their compliance with the Sri Lanka AEO program or other supply chain security programmes ▪ Status of participation under the Sri Lanka AEO program or other supply chain security programmes ▪ Completed supply chain security profile
A72 Do you have documented procedures to monitor and review business partners' compliance to supply chain security requirements? Yes / No / Not Applicable	Indicate "NOT APPLICABLE" if your company does not have business partners. This can be demonstrated through any of the following ways: ▪ Collate and study reports/checklists submitted by business partners; ▪ Audit business partners, coupled with documented procedures/contractual agreements on the areas to audit; ▪ Conduct monthly, quarterly, or annual meetings to review business partners'

Qualification Criteria		Explanatory Notes
		compliance to security requirements, evolving from what has been monitored; ▪ Discuss security incidents and develop corrective measures with your business partners; and ▪ Conduct ad-hoc or annual reviews on security requirements set with business partners due to environmental changes.
A73	Do you review relevant commercial information relating to the other contracting party before entering into contractual relations? Yes / No / Not Applicable	Indicate “NOT APPLICABLE” if your company does not have business partners. The company should minimally verify that the customers are legally established and financially sound before transaction.

15. Crisis Management and Incident Recovery

Security risk assessment is a process to identify risks/threats in a company’s supply chain operations. Risk assessment should be conducted periodically, and whenever there are changes to the supply chain operating environment, entities involved, and processes which may result in new risks and vulnerabilities. The outcome of each assessment should be reviewed to address the risk or reduce the risk to an acceptable level. Regular assessment of the security risks of supply chain operations should be conducted at least once every two years.

Qualification Criteria		Explanatory Notes
A74	Do you conduct regular risk assessment of the security risk of your supply chain operations, review the findings and put in measures to address the risks? Yes / No	<i>If YES</i>, provide the date [MM/YYYY] of the previous risk assessment you conducted, and if you introduced measures to address any identified risks.
A75	Do you have a documented contingency plan for emergency security situations and for disaster incident recovery? Yes / No	<i>If YES</i>, upload the plan for validation purposes. These incidents are not cargo-related and may include and not be limited to scenarios such as fire emergencies, receiving suspected improvised explosive devices, receiving bomb threats, break-ins, epidemic outbreaks, and hijacks. Procedures and plans should be in place to report, handle, investigate and review the incidents. Reported incidents should be recorded, together with the follow up action. Employees should be made aware of these procedures. The plans should also indicate how employees are trained in the roles and responsibilities of the exercise or drills. The contingency or emergency plans should be regularly updated as operational and organisational changes occur.
A76	Do you hold periodic training for employees and testing of the emergency contingency plan? Yes / No	<i>If YES</i>, briefly describe the training content and schedule of delivery. Employees should be made aware of these procedures. Training and testing can be done via desktop exercises and drills. Periodic training and testing of the emergency plans should be done at

Qualification Criteria		Explanatory Notes
		least once a year.
A77	Do you have alternative power supply available for any disruptions to operations, security, and IT during a power outage? Yes / No	

Annexure 3: Sample of the AEO Agreement

The agreement is comprised of five parts, namely the:

- Certificate (of Compliance/Authorisation)
- Agreement of Certification
- Signature/s to the Agreement of Certification, including a delegate and witness of both parties – Sri Lanka Customs and the company
- Schedule 1, which lists the responsible Company Account Manager, and the responsible AEO Relationship Officer (only if the agreement is relevant to the AEO Tier-II authorisation)
- Schedule 2, which lists the trade facilitation benefits available to the certified company

You may wish to familiarise yourself with the agreement provisions prior to making the application, so you understand your continuing obligations for complying with the qualification criterion of the SLC AEO programme.

Agreement of Certification

This agreement is made pursuant to the Sri Lanka Customs Departmental Order DOPL 1530 of 26.10.2021.

Parties

This is an agreement between the Director General of Customs,

And

[Company name] of [insert address]

Background

The Sri Lanka Customs confers the status of Authorised Economic Operator to the Company and grants the Company the Trade Facilitation benefits set out in this Agreement.

Definitions

In this Agreement, the following definitions will apply:

- a. *Authorised Economic Committee* means the final authority pertaining to all policy matters regarding the Sri Lanka Customs Authorised Economic Operator programme, as institutionalised through DOPL 1530; and hereinafter referred to as the 'AEO Committee';
- b. *Business Day* means a day that is not a Saturday, Sunday, or public holiday in Sri Lanka;
- c. *Commencement Date* means the date on which both parties sign the Agreement, or where the Agreement is signed separately, the date the last party signs the Agreement;
- d. *Confidential Information* means information that is by its nature confidential and:
 - I. is designated by a party as confidential; or
 - II. a party knows or ought to know is confidential; or
 - III. a party knows or ought to know is confidential, but does not include information that is or becomes public knowledge other than by breach of this Agreement or by any other unlawful means; or
 - IV. is in the possession of a party without restriction in relation to disclosure before the date of receipt from the other party; or
 - V. has been independently developed or acquired by a party.
- e. *International Supply Chain* has the meaning given in the AEO Operational Guide;
- f. *Improvement Plan* means a document issued by the Sri Lanka Customs to the Company under clause 8 that sets out directions with which the Company is required to comply in order to improve its level of compliance with the Qualification Criteria;

- g. Operational Guide means the legislative instrument prescribed by the Director General of Customs under Departmental Order DOPL 1530; and
- h. Qualification Criteria has the meaning given in the AEO Operational Guide, as varied from time to time;
- i. Trade Facilitation Benefits means the border clearance benefits granted to the Company as specified in Schedule 2 to this Agreement.

Term

- a. This Agreement commences on the Commencement Date and continues for a period of [one year/ two years / three years]; or
- b. before the completion of three years, the Company notifies the AEO Committee of their intention to voluntarily relinquish the AEO TIER-I status; or
- c. until terminated at a date less than three years after commencement, by the Director General of Customs, upon advice of the AEO Committee in accordance with clause 8(h) of DOPL 1530.

Authorised Economic Operator status

- a. In accordance with clause 8(e) of DOPL 1530, this Agreement confers Authorised Economic Operator status upon the Company from the commencement date.
- b. The Company will be entitled to receive the Trade Facilitation Benefits set out in Schedule 2 for the Term of this Agreement, subject to any variation or suspension under this Agreement or the DOPL 1530.
- c. The Company can enjoy the Trade Facilitation Benefits, but the benefits are not extended to its non-accredited partners or subsidiaries.

Company Account Manager and AEO Relationship Officer

- a. Each party must nominate an individual who is authorised to represent the party, receive notices, and make decisions on the management and implementation of this Agreement (the Account Manager).
- b. The Account Manager for each party will be the persons specified in Schedule 1 and may be varied at any time by giving the other party notice of the updated contact details.
- c. The Company is required to set up an AEO unit, for the purpose of proper implementation and supervision in accordance with requirement of the AEO Operational Guide.

Obligation to comply with Qualification Criteria

- a. The Company must continue to satisfy the Qualification Criteria throughout the Term of to a standard that in the Director General's opinion adequately addresses all relevant risks in relation to the Company's Compliant operations.
- b. The [AEO TIER-I / AEO Tier-II] approval will be suspended, downgraded, or revoked if the Company does not meet the conditions and requirements set by the Sri Lanka Customs.
- c. The Company acknowledges that the Qualification Criteria may be subject to change from time to time under clause 8(a) of DOPL 1530; and on notice from the AEO Relationship Officer of changes to the Qualification Criteria, the Company will be required to comply with the Qualification Criteria as amended.

Conditions of Compliance specific to Importer / Exporter

- a. The (Company) Directors / Chief Executive Officer will be jointly or severally liable for any negligence, omission, or misconduct of their employees / authorised agents in matters related to the AEO programme. Penalty for non-compliance will be taken by Customs.
- b. The Company is required to declare accurate information related to the importation, exportation, and movement of goods in line with the AEO compliance checklist. The Company is expected to employ adequate international standard when developing data structure, timely submission, and message content.
- c. The Company is required to keep records of the importation, exportation, movement of the goods, payment of duties, and other related documents for a minimum period of seven years.
- d. The Company is required to pay the duties / taxes within the stipulated period. Penalty for non-compliance will be taken by Customs.
- e. The Company is required to use the service of transport means licensed under the Customs and other

related government agencies' Law and regulations. Penalty for non-compliance will be taken by Customs.

- f. The Company is required to ensure that their goods are not to be consolidated with those of non-accredited operator's goods in one conveyance to entitle fast release under this AEO programme.
- g. The Company is required to conduct regular measurement, analyses, and improvement in the company's policies for the purpose of proper implementation and supervision of AEO programs in accordance with the requirement of the relevant law and AEO Operational Guide.

Reporting Obligations

- a. The Company must notify the AEO Committee through the AEO Relationship Officer as soon as practicable after becoming aware of any of the following:
 - I. Any matter which may impact upon the company's ability to continue to satisfy the Qualification Criteria, including any suspected or known non-compliance with the Qualification Criteria or breach of the terms of this Agreement;
 - II. Any event which is a suspected or actual breach of security or of a Customs-related law with respect to the Company's operations and/or their international supply chain; and
 - III. Any other change of circumstances that may materially impact on the Company's ability to comply with this Agreement.
- b. Penalty for non-compliance with the reporting obligations will be taken by the Customs.
- c. On the reasonable request of the AEO Committee, the Company must provide reports setting out details relating to any of the matters set out in clause 7(a) above or that are otherwise relevant to the Company's international supply chain or compliance with the Qualification Criteria or this Agreement.

Customs right to conduct inspections

- a. The Customs has the right to conduct inspections to assess the Company's compliance with the Qualification Criteria and this Agreement.
- b. In conducting physical inspections under this clause 8:
 - I. The Customs may undertake any activities reasonably necessary to assess the Company's continued compliance with the Qualification Criteria and this Agreement, including without limitation making video and audio recordings and asking questions of the Company's personnel;
 - II. The Customs will comply with any reasonable directions of the Company relating to access to the company's premises, safety, security, privacy, and confidentiality.

Improvement Plan

- a. If the AEO Committee considers the Company is no longer compliant or should improve its compliance with the Qualification Criteria or the terms of this Agreement, the AEO Committee may issue an Improvement Plan to the Company.
- b. An Improvement Plan must set out the steps that the Company is required to undertake to improve its compliance with the Qualification Criteria, and the timeframes within which these steps must be taken.
- c. The Company must comply with any Improvement Plan issued. Failure by the Company to comply with the requirements of an Improvement Plan may be considered by the AEO Committee in exercising their discretion to suspend, downgrade or revoke this Agreement in accordance with clauses 8(f) or 8(h) of DOPL 1530.

Confidentiality

Company Confidential Information

- a. The Customs will not disclose any Confidential Information of the Company to a third party without the Company's prior written consent.
- b. The Customs will not be in breach of its obligations to the extent the Company Confidential Information:
 - I. is disclosed by the Customs to its personnel or advisers solely in order to comply with obligations, or to exercise rights, under this Agreement;
 - II. is shared within the Customs, or with another Sri Lanka border management agency, where this

- serves the collective legitimate interests of all border management operations; or
- III. is authorised or required by law to be disclosed.
- c. Where the Customs discloses information to a third party, the Customs must notify the third party that the information is confidential and require that the third party treat it as confidential.

Customs-specific Confidential Information

The Company will not disclose or make public any Customs Confidential Information without the prior written consent of the AEO Committee, except to the extent the disclosure is authorised or required by law.

Period of confidentiality

This clause survives the termination of this Agreement and continues indefinitely or until the Confidential Information no longer meets the requirements of being Confidential Information under this Agreement.

Mutual recognition agreements

- a. The Company acknowledges that the Customs may enter into mutual recognition arrangements with other countries to allow organisations recognised as authorised economic operators to receive trade-related benefits under equivalent schemes of those countries.
- b. The Company consents to the Customs sharing information about the Company with other countries for the purposes of such mutual recognition arrangements.

Variation of this Agreement

- a. If the AEO Committee decides under clause 8(b) of DOPL 1530 to suspend some or all of the trade facilitation Benefits; or to reinstate some or all of the trade facilitation Benefits that have previously been suspended, this Agreement will be varied accordingly.
- b. In all other respects, the parties may vary this agreement at any time by mutual agreement in writing.
- c. If the Director-General decides to vary this Agreement, this Agreement will be varied accordingly with effect on and from the date on which notice is provided to the Company of the decision.

Termination

- a. If the Director-General decides under clause 8(h) of DOPL 1530 to terminate this Agreement, this Agreement is terminated with immediate effect.
- b. The Company may for any reason and at no penalty terminate this Agreement by serving a signed notice, with immediate effect from receipt of the notice.

Miscellaneous

Costs

The parties will bear their own costs of doing all things necessary to be done under or incidental to this Agreement unless otherwise agreed in writing.

Notice

- a. A notice under this Agreement must be:
 - I. in legible writing and in English addressed to the relevant Account Manager named in Schedule 1; and
 - II. delivered to the recipient in writing by email to the appointed AEO Relationship Officer, or in person.
- b. A party may change its address for notices at any time by providing notice to the other party of its new address for notices in accordance with this clause.
- c. A notice is regarded as being given by the sender and received by the recipient:
 - I. if by email, immediately unless the sender receives an automated reply that the email was not delivered by reason of the address being invalid or otherwise;
 - II. if delivered in person, when delivered to the recipient.

- d. If a notice is received in a day which is not a Business Day or after 5.00pm on a Business Day, that notice is regarded as received at 9.00am on the following Business Day.

Assignment and novation

The Company must not assign, in whole or in part, its rights and obligations under this Agreement.

Waiver

- a. Any waiver of a party's rights under this Agreement must be made in writing. The failure of either party to enforce the provisions of this Agreement at any time will not constitute a waiver of that party's rights.
- b. A waiver by either party of any breach of a condition or provision of this Agreement will not be deemed to be a waiver of any continuing or subsequent breach of that provision or a breach of any other provision.

Severability

A clause or part of a clause of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining clauses or parts of the clauses of this Agreement continue in force.

Applicable law

- a. This Agreement is governed by and will be interpreted in accordance with the laws of the Sri Lanka Constitution.
- b. The parties submit to the non-exclusive jurisdiction of the courts of the Sri Lanka Constitution in respect of any action arising out of or in connection with this Agreement.