2017

"The contribution of the Authorised Economic Operator towards Global Supply Chain Safety and Security"

Author: Enrico Raffaele

Erasmus University:

Master Customs and

Supply Chain Compliance

30-6-2017

Colophon

Project Name	The Contribution of the AEO Programme towards Global Supply Chain Security
Master Study	Master Customs and Supply Chain Compliance
Module	Graduation
Version number	Final

Graduate	E. Raffaele Dutch Customs Administration Schiphol Cargo M +31 6 2937 54 43 e.raffaele@belastingdienst.nl
First Supervisor	Prof. Mr dr. W. de Wit Erasmus University Rotterdam M +31 6 212 518 81 dewit@law.eur.nl
Second Supervisor (Co reader)	Dr. J. Hulstijn University of Tilburg M +31 6 28178220 J. Hulstijn@uvt.nl

preface

This thesis is written as part of the Master Customs and Supply Chain Compliance at the Erasmus University of Rotterdam. The topic of my graduation thesis is "The contribution of the Authorised Economic Operator to supply chain safety and security". The thesis has been written under the supervision of W. de Wit, professor at the Erasmus University of Rotterdam and as co reader dr. J. Hulstijn, assistant professor at the University of Tilburg.

The information in this thesis should be treated confidentially.

I hope you will enjoy reading.

Executive summary

In the face of international terrorist attacks and the increase of globalisation the world has realized the increasingly complex supply chain had to be made safer and more secure. The United States started certifying enterprises with Customs-Trade Pact Against Terrorism (C-TPAT). Enterprises having such a certificate were seen as "safe" and "compliant" which entitles them to certain benefits. The World Custom Organization (WCO) developed a global framework named the "Framework of standards to secure and facilitate global trade" with the aim to develop such a certification worldwide and so increasing the safety and security at the external borders. The European Commission has recognised this framework in 2005 and the Authorised Economic Operator (AEO) made its appearance in the legislation. The AEO status gives the holder a number of facilities to simplify certain customs formalities. These facilities are granted after certain requirements have been met, and the enterprise is seen as "safe".

The introduction of the AEO programme has brought some serious challenges for the Custom authorities as well as for business. Customs must protect the border of the European Union but on the other hand must facilitate business and cause as little delay as possible. Business must make profit with low cost regarding for example safety and security measures. Especially in economic difficult times, enterprises are reluctant to invest in security measures. Customs and business seem to have contradictory interests as far as making the supply chain more safe and secure, but they have to work together anyway. Customs facing the change from regulatory supervision versus system based supervision, from fiscal auditing versus safety and security auditing. Business facing the challenge between making money versus a safe and secure supply chain. A description of a comparison between all the voluntary safety and security programmes and mandatory safety and security legislation is given, to learn if the AEO safety and security requirements are already existing. Besides to the AEO programme it seems like there is an overkill of other similar voluntary and mandatory safety and security initiatives and legislation. The larger enterprises did not have to implement any additional safety and security measures due to the AEO requirements. For those enterprises the AEO security requirements did not bring any improvement, and did not enhance their level of safety and security.

This thesis describes e.g. the way in which the granting procedure takes place in the Netherlands. The relevant legal and other frameworks are covered, it turns out these frameworks offer space for discussion because of the "open" character of the legislation, which could lead to legal inequality between Member States. To stimulate its own economy Member States could compete with each other to provide the certificate quickly and possibly without a sufficient scrutiny, resulting in a kind of "false sense of security".

Along the way of this thesis I have struggled to find a way to measure the contribution of the AEO to the security of the supply chain. In 1979[1] the concept of the Critical Success Factor[2] was introduced. Kaplan &

---

[1] *Rockart, John F., "Chief executives define their own data needs", Harvard Business Review 1979 (2), pages 81-93.*

[2] *Boynton, A.C., and Zmud, R.W. 1984. "An Assessment of Critical Success Factors," Sloan Management Review (25:4), pp. 17-27.*

Norton made the Critical Success Factor popular and they state that a strategy should contain a limited number of Critical Success Factors. In addition, the Critical Success Factor should be in balance, proportionate and spread over the areas of focus when managing an organization. The Balanced scorecard [3], originally from the world of "financial control", is a practical tool to form managing more than just from a financial point of view. Dashboards with key performance indicators made their way to most managing desks. To measure to what extent the AEO has contributed to the supply chain security, I have developed five critical success factors, these factors will determine the success of the AEO status I have tried to develop 5 key performance indicators (KPI) or so called success factors which determine the contribution of the AEO status. You can find the conceptual model and these KPI's in chapter 1.7.

The application for the AEO status starts with the National Centre AEO (hereafter: LCAEO). At the LCAEO the first formal audit of the application takes place, which will be described in this thesis later. The quality of the process is coordinated by the national coordinator, regional coordinators and the AEO auditors. It seems the structure of the organisation of the AEO process is well organized by the Dutch Customs.. However there are inconsistences/gaps concerning the interpretation of the legislation, the content of the first audit by the LCEAO and the further content of the AEO audit.

For example,, at the time of the implementation of the AEO program, the AEO auditors did follow an AEO course including a one day security training based on the guide security scan which, in my opinion, is insufficient to audit all the AEO safety and security requirements. New AEO auditors have followed no AEO or safety and security course what so ever. The AEO Audit is based on the existing of written procedures, after the audit the AEO status is granted based on the trust that the written procedures also operate in reality. After granting the AEO status it is very hard to suspend or to revoke it, if concluded that the procedures do not work.. During the granting procedure, cooperation with other government departments hardly takes place, and as a result important information is not shared. Only the applicant of the AEO status is screened by the Customs, remarkable is the fact that crucial government departments are not involved in this screening.

Part of this study is to carry out case studies of AEO audits to give the insight into the quality of the AEO audit. A statistical sample is used to come to a representative research. The statistical sample is taken by the EDP auditor from Dutch Customs Schiphol Airport , J.R. van Duijnen RA CISA. The sample was taken from a population of 1143 enterprises which have the AEO-S- and AEO-F- status, with a confidence of 95 %, an upper error limit of 5% and an expected error rate of 0 %. The statistical sample resulted in the selection of 60 AEO enterprises, the AEO audit of these 60 enterprises is the object of this research (case study's)which focuses on the number of security and safety incidents after granting the AEO status, and on other critical requirements such as the identification of the trading partners.

To determine whether the AEO has contributed to a smaller number of violations, I have compared the number of the committed safety violations before and after acquiring the AEO status. The data was collected by the internal fraud database of the Dutch Customs. The comparison shows a decrease of violations, but the cause of the decrease is hard to determine.

In May 2014 Mrs.V. Blasius, consultant in logistics and supply chain of the organisation "Top Desk", carried out a survey among all the 1345 AEO holders in the Netherlands. Goal of this research was to gain more knowledge of how enterprises experienced having and maintaining the AEO status. The research focused on the motivations of enterprises to gain the AEO status, what is their experience of the facilities which are offered, and the costs associated with maintaining of the AEO status. The respondents were asked about their experience and the extent to which they are satisfied with the facilities offered because of gaining an AEO status. Having the AEO status may contribute to less security incidents. From this survey, it turns out most of the AEO holders did not experience less security incidents and it was not the motivation for them to maintain the AEO status. The most important reason to maintain the AEO status were the custom simplifications.

---

[3] *Kaplan, Robert S; Norton, D. P. (1992). "The Balanced Scorecard – Measures That Drive Performance". Harvard Business Review (January–February): 71–79.*

The AEO principle aims to secure the entire supply chain from manufacturer to consumer, but still a lot of links in the chain are not in possession of the AEO status. In the Netherlands we recognize 1143 AEO –S- and –F- holders, among these AEO holders are importers, exporters, forwarders, carriers, customs brokers and storage holders. If we see these numbers in the relation to the numbers of logistic enterprises, this is an insignificant number compared to the number of enterprises in the whole supply chain. However more and more countries in the world are recognizing the AEO status, most countries in the world do not mutually recognize each other's licenses. The way to a mutual recognition is a long, because it involves different stakeholders and complex political decisions. It may be a utopia to think the whole chain is in possession of the AEO status, but still, if this is not the case, the chain is as strong as its weakest link and it misses the goal of the AEO principle.

Table of contents

1   Introduction

This chapter provides a short introduction to explain the context of the introduction of the AEO safety and security programme. It describes a research model and the structure of the thesis.

1.1   Background

The threat of terrorism

The world was in shock when on the 11 of September 2001 two airplanes collided into the Twin Towers in New York, hereafter there was a number of terrorist attacks in London and Madrid. After these events, the national and international security measures were tightened up significantly and safety and security became a major issue worldwide. The WCO and the European Commission pointed out that the Customs administration play a crucial role in the Safety & Security policy of the European Union.[4] (Mikuriya). Customs administrations must ensure that prohibited goods do not enter the territory of the European Union at the external border. However the role in the field of safety and security should not affect the free movement of goods, people, services and capital. That seems contradictory, because the perception is that more inspections in the framework of security result in more delay for the trade. Maintaining the delicate balance between facilitating legitimate trade flows while deterring those that are illicit is a complex operational task and a real challenge. (Basu, WCO[5]).

To minimize this delay for trade, modern technology should allow sharing information about the goods with all players in the chain,[6] (lee, Whang 2000). The information must be shared with the Customs organization well before the cargo leaves the country of departure. This offers the opportunity to identify risks at an early stage, allowing reliable trade to enter the country of destination without delay, while rogue trade can be stopped at the external borders of the EU. Customs, as a link in the chain, must be able to assess with a good risk analysis whether goods have to be checked from a safety point of view.

To make the supply chain more secure after 9- 11, the United States took the first step with the introduction of the Customs-Trade Pact Against Terrorism (C-TPAT).[7] This is a joint venture between the US Customs and US enterprises, with the aim to make the supply chain to and from the United States safer and more reliable. As a counterpart to the U.S. C-TPAT, in 2007 the European Union introduced the Authorised Economic Operator (hereafter: AEO).[8] After 2007 there has been considerable development within Customs administrations in regard to the AEO safety and security concept .

More safety and security measures demand a different approach by the Customs administration. It requires the willingness to cooperate and a more integrated approach. Without (international) cooperation safety and security is hard to reach (Muller)[9] Since September 2007 entrepreneurs can apply for the AEO. With the arrival of the AEO, both Customs and business are jointly responsible for a supply chain.

As mentioned above, the increased threat of terrorism was one of the main reasons for the European Commission to change the existing customs legislation. In 2003, the European Commission published two safety-related announcements concerning the intended legislation change. [10] After the changes in the legislation were accepted, the legislation was published in the official journal of the European

---

[4] *World Customs journal Supply Chain Security: The Customs community response volume 1 number 2 page 51 Kunio Mikuriya*

[5] *Combating illicit trade and transnational smuggling: key challenges for customs and border control agencies Gautam Basu, world Custom journal*

[6] *Information sharing in a supply chain Lee, Whang international journal of manufacturing Volume 1 issue 1 http://www.inderscienceonline.com/doi/abs/10.1504/IJMTM.2000.001329*

[7] *https://www.cbp.gov/border-security/ports-entry/cargo-security/c-tpat-customs-trade-partnership-against-terrorism*

[8] *http://ec.europa.eu/taxation_customs/general-information-customs/customs-security/authorised-economic-operator-aeo_en*

[9] *Harald Muller security cooperation chapter 19 handbook of international relations page 369*

[10] *announcement from the Commission to the Council, the European Parliament and the European economic and Social Committee on the role of customs in the integrated management of external borders/* COM/2003/0452 final * http://www.eerstekamer.nl/eu/europeesvoorstel/com_2003_452/document*

Commission[11]. The two safety-related announcements from the European Commission became the start of the development of a paperless registration process which also looked at the role of customs in the society. Another announcement was the basis for the current safety legislation. In that announcement, four security related aspects were covered:

- crime and terrorism;
- environmental health and safety of consumers;
- public health;
- public safety.

Globalization

Another reason which led to a different approach and to more physical inspections, was globalization. The increase of world trade and the transfer of production of products to low-wage countries created a huge increase in the flow of goods worldwide. Globalization has increased the awareness of the various risks and vulnerabilities that products are exposed to as they move along the supply chain from design and sourcing to manufacture, transportation, distribution and final sale to the consumer. [12]This increasing flow of goods could form a perfect cover for the transport of drugs, weapons and explosives. Also, diseases such as the foot and mouth disease or an avian flu can spread more easily. Given the amount of goods it is practically impossible to check all the goods and that is why the perpetrators see the risk of getting caught as small. Globalisation is accompanied by a faster and further spread of technology and allows a greater fragmentation of the market. The character of trade flows is changing significantly and the supply chains become longer. Enterprises compete with each other for a bigger share of the international market. Especially in difficult economic periods activities take place in parts of the world where the costs are the lowest, even if there are large distances involved. The transfer of production to other countries increases the distance and adds uncertainty (Giunipero et al., 2004)[13] . Because of the process of globalization, the intensity and scope of cross-border political problems such as environmental pollution, or drug trafficking increases. Member States will have to work together to address cross-border problems.[14]

Developments worldwide

Due to the increasing threat of terrorism, in the year 2001 the United States started to certify enterprises with CTPAT (Customs Trade Pact Against Terrorism). The CTPAT certificate is intended for enterprises that are tested on safety requirements which were rewarded with a faster settlement of formalities at the border. In June 2003 the WCO (World Custom Organization) followed the CTPAT and developed the "Framework of Standards to secure and facilitate Global Trade".[15] The reason for the development of this Framework was that international trade is seen as essential for economic progress. According to the WCO world trade is vulnerable to terrorist attacks and other forms of international crime, which can result in great harm to the entire world economy.. Purpose of the framework is convincing the private sector to be more involved in the security of the supply chain and providing different Governments with a uniform method which can help with effective safety and security legislation. The key element of the WCO Safe Framework is focus on the electronic delivery of information to the country of destination before the cargo arrives. The information should then be subjected to a security risk analysis. It should also be possible for the country of departure to request an outgoing check of goods departing the European Union and to grant benefits to enterprises which meet certain safety requirements. The WCO has the opinion that an international certification system in 2001 will ensure that the safety level of the international trade will be increased.

---

[11] *The Official Journal of the European Union , commonly referred to as "the OJ", is the official gazette of the EU and the formal source of EU legislative information. The OJ is published daily in all the official languages of the EU .*

[12] *Victor D Ha Globalization and security volume 37 number 3 may 2000*

[13] *Purchasing Education and Training II by Larry Giunipero, Ph.D. Professor Florida State University And Robert B. Handfield, Ph.D. Bank of America University Distinguished Professor North Carolina State University CAPS Research 2004*

[14] *Politics and Politica Author Edwin Woerdman second press year 2004 page 108 isbn 9001955134*

[15] *http://www.wcoomd.org/home_wco_topics_epglobalsupplychainfacilitationandsecurity.htm*

European Developments:

Following the global developments, the European Union could not afford to fall behind. In June 2005 the European Commission decided unanimously to recognize the WCO safe framework of security standards.[16] The Commission decided on 4 May 2005 a change to the Regulation (EC) no 2913/92 on 13 April 2005 laid down by means of the Regulation (EC) no 648/2005 of the European Parliament and of the Council.[17] The Authorised Economic Operator (AEO) entered the European customs legislation.[18]

With Regulation (EC) no 648/2005 the European Parliament of the Council aimed to formulate regulations which allow an equivalent level of protection throughout the European Union regarding customs inspections on goods entering or leaving the customs territory of the community. Narrowing down this legislation was done through an adaptation of Regulation (EC) no 2454/93 of the Commission. This adjustment was effected after the publication of Regulation (EC) no 1875/2006 of the Commission.[19] The aim of the measures of the Council Regulation (EC) no 2454/93 of the Commission, included faster and better targeted customs inspections. It insisted on a common framework for risk management via electronic exchange of information between customs authorities and between customs authorities and the Commission. According to the new regulations it is required to provide Customs in advance with all relevant information on all goods entering or leaving the customs territory of the community. By granting the status of authorised economic operator to reliable operators who meet certain criteria, simplifications in which the customs legislation is implemented and/or facilities in the field of customs inspections, can be provided.[20]

The threat of terrorism and the continuing globalization were the largest international developments that have led to a different approach to security. The United States started the CTPAT certification. This was followed by the development of the "Framework of standards to secure and facilitate global trade" by the WCO with the aim to implement a certification worldwide. The European Commission could not afford to stay behind and after recognizing the framework of the WCO a number of legislative changes have been made and the AEO made his formal appearance.

What is an AEO

The AEO authorization must be seen as a manner to manage the international flow of goods in a way which impedes the increasing international trade as little as possible, at the same time, it fights against the dangers of international terrorism and crime effectively. For business the AEO is advantageous to enterprises who have met the requirements, because they enjoy certain privileges.

The Customs authority strives to stop the "bad" enterprises and to facilitate the "good" enterprises. The attention of the Customs authority to the unscrupulous businesses should result in a more efficient inspection. The AEO concept aims to split the cross-border goods traffic in two streams: a certified and non-certified goods flow. The inspection system should be based on these two flows. For incoming goods the risk analyses can be done on the basis of advance information (pre-arrival),the certified goods flow and risk profiles are "preselected".

The goods flow of the non AEO enterprises is subjected to a full risk analysis. The results of the risk analysis can lead to a physical inspection or other actions. The information related to the flow of goods must be received as much as possible from the initial sender and the ultimate consignee of the goods.

The AEO holders took over the supervision of the supply chain from the Customs. The non-certified goods flows now have all the Customs attention. The AEO is based on trust and gives the AEO holder the right to less customs inspections and more customs simplifications. With the arrival of the AEO, Customs and business are jointly responsible for a supply chain. Trade, as well as Customs, can benefit from the AEO.

---

[16]http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/SAFE%20FrameworkEN_2007_for_publi cation.pdf

[17] Vo. (EG) nr. 648/2005 of the European Parliament and the council, 13 April 2005; Publication EG nr. L117/2005, page 13 (http://eur-lex.europa.eu)

[18] http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

[19] Vo. (EG) nr. 1875/2006 of the Commission, 18 December 2006, Pbl EU nr. L 360//2006, page 64 (http://eur-lex.europa.eu)

[20] Consideration 1, Vo. (EG) nr. 1875/2006 of the Commission of 18-12-2006, Pbl EU nr. L 360, page 64 (http://eur-lex.europa.eu)

1.2   Problem definition

The AEO concept and similar security programs arose as a response to the threat of terrorism and may have affected the supply chain security. However, despite the implementations of these supply chain security initiatives, recent events, like the increase of drug trafficking in the harbour of Rotterdam,[21] show that security initiatives are not all that effective. The EU Drug Markets Report from the EMCDDA – an authority which collects all European data on drugs – sets the Netherlands as the producer, processor and exporter of drugs to the European neighbours. [22] Although screening of staff is an essential part of the AEO, it seems criminal organizations do receive help for drugs trafficking from inside the business organization by staff of harbour or airport employees.[23]

It is a real possibility that criminal organizations are using the AEO status for drug trafficking. The report "Organized crime in the Netherlands 2013" by Kruisbergen H.G. van de Bunt and E.R. Kleemans, shows criminal partnerships use their own private enterprises for various infrastructural purposes. In the report examples were given of private enterprises which facilities were supposedly used for storage of goods, whereas they were really used for transport and meeting fellow perpetrators and/or customers. I In the report a case was described of trucks transporting hashish, driving under the flag of a transport enterprise whose director is one of the suspects.[24] Another case described the use of own transport enterprises for the transport of heroin. The report also shows different criminal partnerships provide themselves in deck cargo to hide the contraband goods.[25]

As a consequence of the introduction of the AEO programme the Customs authority must organize their supervision in a different way. It changes the focus from an administrative and financial supervision to a more safety and security oriented one and from a regulatory- to a more system based supervision. The purpose of this study is to learn to what extent the AEO safety and security programme has contributed to the supply chain security.

Scope
The scope of this thesis will focus only on the AEO safety & security requirements, not on the requirements of the AEO simplifications of Customs procedures. The thesis aims to report an exploratory study investigating to what extent the AEO has contributed to the supply chain safety and security. The study is based on the process implemented by the Dutch Customs, the process in other member states is not within the scope of this study. It is explicitly not the purpose of this study to conduct a full baseline measurement of the safe and secure supply chain in the logistic sector. Here is chosen to chart the bottlenecks and challenges of the AEO and to what extent this has contributed to a safer and more secure supply chain in the logistics sector.

1.3   Research objectives

Overall objective

The overall objective of this research project is to gain an insight into the extent in which the process of granting the AEO status contributes to a safe and secure supply chain and to make recommendations for the possible improvement of granting and monitoring of the AEO status by the Dutch Customs.

Specific objectives

- To discover existence of relevant other safety and security initiatives;
- To analyse the current manner of issuing and monitoring the AEO status;
- To identify the possible effects and contribution of the AEO to safety and security.

---

[21] *Drugs in numbers oktober 2016 Ministerie of Safety and Justice, EMMA – Experts in Media en Maatschappij dr. M.J.G. Jacobs M. Pieron, MSc L.M. Roos - Nijkamp, MSc*
[22] *http://www.emcdda.europa.eu/start/2016/drug-markets#pane0*
[23] *Report organized crime in the Netherlands 2013 paragraph 4.1.3 page 121 E.W. Kruisbergen H.G. van de Bunt E.R. Kleemans*
[24] *Case 11 Report organized crime in the Netherlands 2013 paragraph 4.1.3 page 121 E.W. Kruisbergen H.G. van de Bunt E.R. Kleemans*
[25] *Case 86 Report organized crime in the Netherlands 2013 paragraph 4.1.3 page 121 E.W. Kruisbergen H.G. van de Bunt E.R. Kleemans*

1.4   Motivation contribution of the thesis

The contribution of this thesis has a social character, the world of today is threatened by terrorist acts and criminal (cross border) activities. At the moment (December 2016) the harbour of Rotterdam is flooded with drugs. Never before such a large number of drugs was confiscated as in the year 2016, compared with other years. The rip-off method, where sports bags with 'only' a few tens of kilos of cocaine are put in a container, is hardly used anymore, transports are getting larger and larger. Drugs trafficking relates to all other kind of criminal activities such as liquidations. [26] Terrorism can have large effects on economic outcomes[27] Safety and security are essential elements for the economy and wellbeing of the human society.

The AEO safety and security programme was implemented with the aim to reduce terrorist attacks and (cross border) criminality. AEO is based on Supply chain security, supply chain security needs more attention from the academic community (William, Z., Lueg, J. E., & Lemay, S. A. (2008).[28]

The status of AEO grants to business a number of facilities to simplify certain customs formalities, such as less customs inspections and pre announced inspections.[29] However the (sea- air) freight sector continuously carries large amounts of costly or dangerous goods and could therefore be attractive to organised crime and terrorists.[30] Research shows that most of the organized crime in the Netherlands, constitutes of transit crime and illegal cross-border transactions.[31] The AEO facilities are granted after certain safety and security requirements have been met. After a shallow audit of the 'design' and 'existence' of written procedures and not of the operational effectiveness of the procedures, the enterprise is seen as "safe". After granting the AEO status it is very important to monitor the AEO enterprises to verify that they still meet the AEO requirements. It is therefore of great importance that the AEO status is granted based on a high level research and has a real contribution to the supply chain security, because once given, the AEO status with all the benefits is very hard to withdraw. Until now Customs authorities and enterprises have been putting a lot of afford into the AEO, but no research has been done into the contribution of the AEO to the safety and security of the supply chain.

1.5   Research Questions

The main research question of this thesis is the following:

To what extent has the AEO Safety and security programme contributed to supply chain safety and security?

To answer the main question the following sub questions are formulated:

Sub 1   What is the legal background and the relevant legislation regarding the AEO Safety and security program?
Sub 2   What are the challenges for Customs and businesses implementing the AEO program?
Sub 3   How does the AEO safety and security programme relate to other safety and security initiatives?
Sub 4   In what way has the Dutch Customs administration organized the AEO safety and security process in practice?
Sub 5   Are there any recommendations for improvement?

---

[26] *Samenleving en georganiseerde misdaad Prof.Dr. C. Fijnaut tijdschrift voor criminologie 2016*
[27] *Terrorism and the world economy Abadie, A., Gardeazabal, J., 2003. The economic cost of conflict: A case study of the Basque country. American Economic Review 93, 113–132).*
[28] William, Z., Lueg, J. E., & LeMay, S. A. (2008). Supply chain security: an overview and research agenda. The International Journal of Logistics Management, 19(2) , 254-281.
[29] *Honingh, M. E. and J. K. Helderman (2010). "For who is system based supervision useful ?" Magazine for Supervision, 1(2): 6-25.*
[30] *Mertens, F. (2011). Inspections, supervision by inspections, SDU. Rapport commissie Stevens 2012.*
[31] *Research WODC "De georganiseerde criminaliteit in Nederland", auteur Henk vd Bunt, isbn: 9789054549031 april 2007*

1.6   Research Methodology and Design

To answer the research questions of this Master thesis, the methodology of this thesis is based on a combination a qualitative research and quantitative research. The qualitative research is based on the analysis of data which is collected by means of literature study, desk research and unstructured and semi-structured interviews with experts in the field. To investigate to what extent the AEO safety and security programme contributes to a secure supply chain, the relation between the AEO programme and other security programmes will be compared. The quantitative study is based on data which comes from an external survey among all AEO holders, internal databases of the Dutch Customs, which contains information about a number of Customs violations and about all AEO audits.
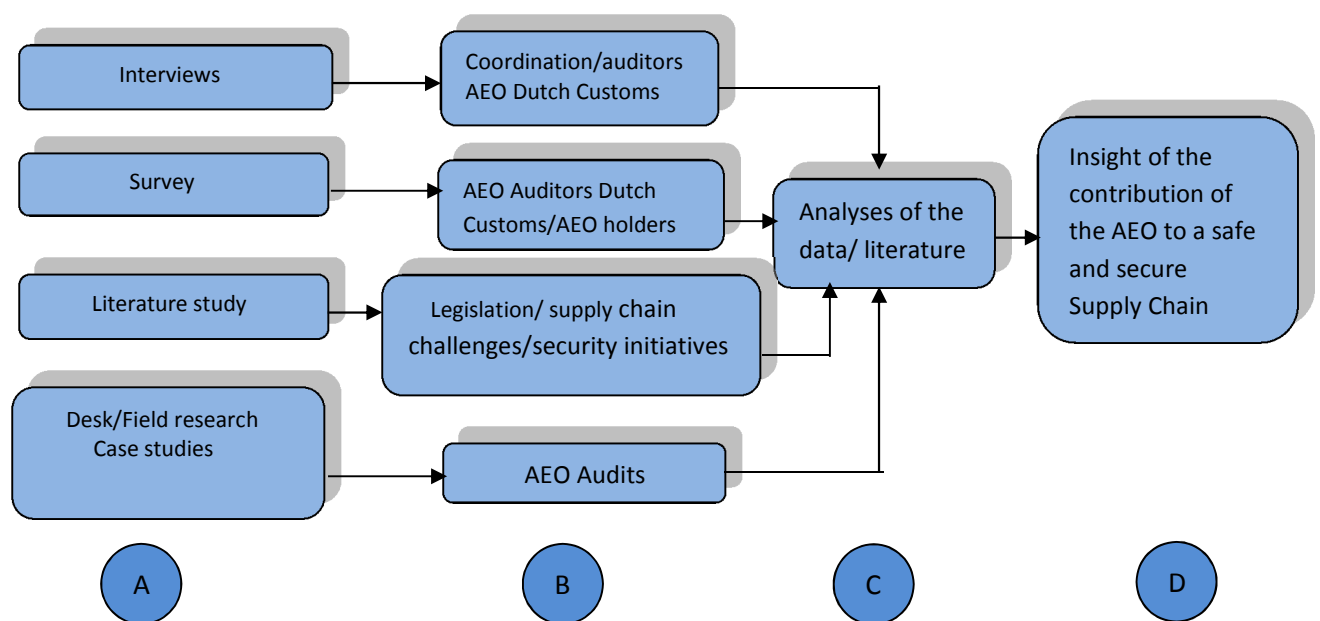

Fig 1 Research model

1.7   Conceptual model

As mentioned in the summary, in 1979[32] the concept of the critical success factor[33] was introduced. Kaplan & Norton made the critical success factor popular and they state that a strategy should contain a limited number of Critical success Factors. In addition, the Critical Success Factor should be in balance, proportionate and spread over the areas of focus when managing an organization. The Balanced scorecard [34], originally from the world of "financial control", is a practical tool to inform managing more than just from a financial point of view.

Dashboards with key performance indicators made their way to most managing desks. To measure in what extent the AEO has contributed to the supply chain security, I have developed 5 key performance indicators (KPI) or so called success factors which will determine the contribution of the AEO status.

---

[32] *Rockart, John F., "Chief executives define their own data needs", Harvard Business Review 1979 (2), pages 81-93.*
[33] *Boynton, A.C., and Zmud, R.W. 1984. "An Assessment of Critical Success Factors," Sloan Management Review (25:4), pp. 17-27.*
[34] *Kaplan, Robert S; Norton, D. P. (1992). "The Balanced Scorecard – Measures That Drive Performance". Harvard Business Review (January–February): 71–79.*
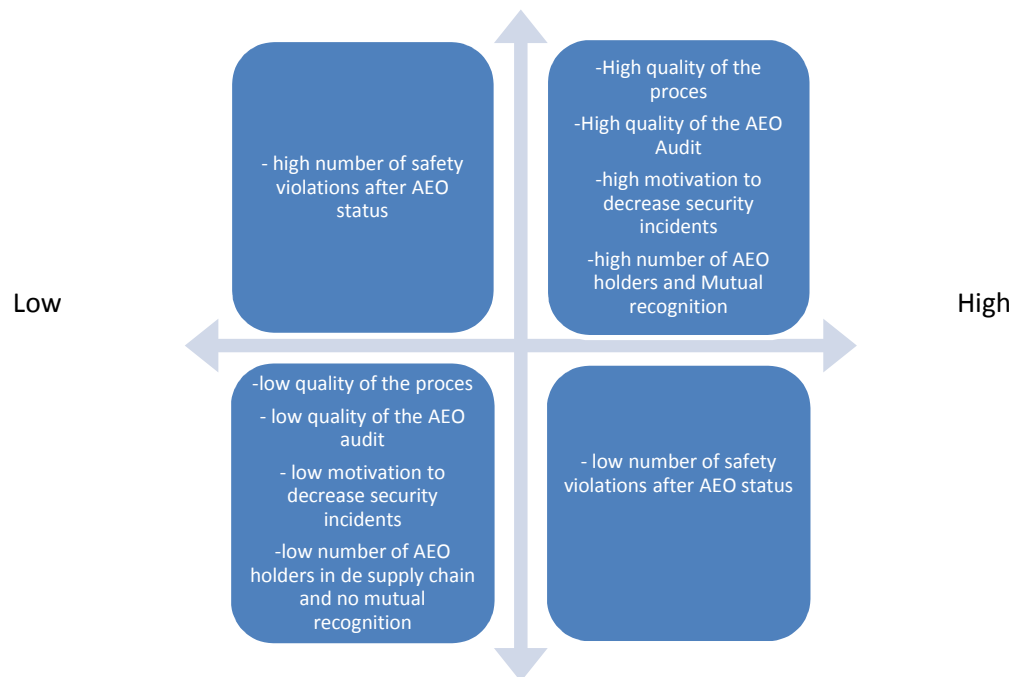
Figure 2: Conceptual model

The objective of the AEO-S- is to ensure more safety and security in the supply chain. With this objective in mind I have developed a set of key performance indicators (KPIs) to measure if the AEO has met the objective. I have chosen five key performance indicators to measure the contribution of the AEO performance in the supply chain.

The key performance indicators (hereafter: KPI) are:
- The quality of the issuing process;
- The quality of the AEO audit;
- The motivation for maintaining the AEO status regarding security incidents by the AEO holders;
- The number of safety incidents;
- The number of AEO enterprises and mutual recognition.

The quality of the issuing process,

During the issuing process, some important aspects of granting the AEO are essential and information must be shared among the relevant stakeholders. An analysis of AEO cases by Professor dr. Yao Hua Tan has shown that the communication between the business sector and the Government about the subject of being in inspected is difficult.[35] This is also stated by the research of Dr. Ing. M.A. de Bree who conducted a research of certification and public supervision.[36]

The quality of the AEO audit

The quality of the AEO audit is essential and it can significantly influence the success of the AEO. The AEO audit is only based on the presence of written administrative procedures and internal measures. The audit is not based on the actual operation of the procedures. The operation of the written procedures is audited in a later stadium for example during an administrative inspection retrospectively or by a field audit. A specific

---

[35] *Professor dr Yao Hua Tan Technieken voor Verantwoord Vertrouwen Intreerede Uitgesproken op 29 april 2011 Ter gelegenheid van de aanvaarding van Het ambt van hoogleraar Information and Communication Technology Aan de faculteit Techniek, Beleid en Management Van de Technische Universiteit Delft page 5*
[36] *Certification and public oversight the role of certification of management systems at public oversight in the environmental law Dr. Ing. M.A. de Bree MBA 22 June 2015, Ministry of infrastructure and the environment.*

problem in certification is that the inconsistency between paper and physical reality is insufficiently recognized. (Sandholtz 2012, Christman 2006, W. 2001).[37] To endorse this KPI, I would like to cite a certain statement about the certification paradox,: "The more valuable the certificate for the organization, the less reliable it is for the public regulator.[38]

The value of an (AEO) certificate for the organization is a less intensive monitoring and audit regime. This gives the certificate a high economic value, after all, most of the enterprises want to do business with an AEO status holder or even require that their business partners possess an AEO status. This is especially true for American enterprises. The article states however, that the higher the economic value of the certificate for the organization, the greater the likelihood that organization wants to get the certificate by cheating. They can benefit from the economic value of the certificate without actually meeting the requirements. Therefore, the certificate becomes unreliable for a public supervisory authority, because it is not a good indicator of the compliance to the rules.

The motivation of maintaining the AEO status regarding security incidents by the AEO holders

When in possession of the AEO status, the enterprises must still meet the AEO criteria to maintain the AEO status. But what is the driver to maintain the AEO status? It is possible that the enterprises only met the criteria at the time when they are applying for the AEO status. After the AEO status is granted, the benefits are obtained and the focus on safety and security could become less.

The number of safety incidents

Safety can be divided into objective and subjective safety.[39] Objective safety is the kind of safety by which we can measure safety by the analyses of concrete statistics of, for example, crime violations. Subjective safety is about the feeling of safety that people experience and is determined on the basis of personal opinions (Van Steeden 2008).[40] To measure the contribution of the AEO to the number of Customs safety violations (no fiscal violations), the violations before and after granting of the AEO status are analyzed.

The number of AEO enterprises and mutual recognition

The concept of the AEO is an end to end supply chain safety and security. The number of AEO enterprises and mutual recognition are crucial factors for the success of the concept. Therefore, the number of the current AEO enterprises and mutual recognition are part of this research.

1.8   Structure of the thesis

This thesis describes to what extent the AEO contributed to the supply chain security.
The thesis comprises the following chapters: introduction, literature review, desk
research, field research, analysis and conclusions. Chapter 2 until chapter 4 are mainly based on literature study. Each chapter of this thesis ends with an interim conclusion and discussion, in the discussion my interpretations and opinions are stated.

The thesis starts with chapter one which contains the introduction and background of the AEO programme. Chapter two describes the legal and other frameworks. Chapter 3 of this thesis describes the supply chain security challenges which the Dutch Customs and business are facing trying to improve the safety and security in the supply chain. To find out if there are safety and security programmes similar to the AEO programme, chapter four describes a comparison between all safety and security initiatives and mandatory safety and security regulations. Chapter five contains information about the field and desk research and describes how the AEO granting process works in practice. This chapter describes survey among the AEO holders regarding the drive of maintaining the AEO status, case studies to research the level of the quality of the AEO audit and a research of the number of violations before and after granting the AEO status.

---

[37] *Christmann, P. Taylor, G. (2006). Firm self-regulation through international certifiable standards: Determinants of symbolic versus substantive implementation, Journal of International Business Studies, 37; Sandholtz, K.W. (2012). Making standards stick: A Theory of Coupled vs. Decoupled Compliance, Organization Studies, 33(5-6)*
[38] *Six, F.E. (2015). De certificatieparadox. Column voor online business magazine ToeZine.*
[39] *Basisboek integrale veiligheidskunde Wouter Stol e.a. isbn 978 90 6283 479 2 eerste druk tweede oplage 2008 page 38 chapter 2.3*
[40] *Van Steeden, R. (2008). Society and Safety Amsterdam: Free University Amsterdam.*

In chapter six the results are analyzed, the possible gaps are identified and in chapter 7 recommended actions are formulated to bridge the main gaps. Chapter 8 describes the final word, contribution and limitations of this research.

Chapter	Description	Research question	Deliverable
C 1	Introduction	Sub1	Background
C2	Literature research	Sub 1	legislation and frameworks
C3	Literature research	Sub 2	Supply chain security challenges
C4	Literature research	Sub 3	Safety and security initiatives
C5	Desk and field research	Sub 4	The current state of the process + violations before and after AEO + case studies quality of the AEO audit
C6	Analyses	Main	Conclusions + possible effects of AEO
C7	Analyses	Main	Recommendations
C8	Analyses	Main	Final word

Figure 3 overview structure of the thesis

1.9 Definitions

- "AEO is 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. Authorised Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors".[41]

- "Economic operators, are enterprises related to the International Supply chain which covers the whole production and supply process, which means all manufacturing and logistics relations starting from the production of the (half-) manufacturer to the delivery to the end user (including the export and import of goods to and from the EU).[42]

- Safety: Safety is a broad and difficult definable subject. In addition to health, well-being and environment, safety touches an area that deals with unwanted deviations from an ideal state of the world and of the people living there. The definition of safety is not given in the Customs legislation, each Member States could interpret the definition of "Safety" differently and this could lead to legal inequality. In the legal provisions, there is no definition of safety. In 2003, the Commission published two communications that formed the starting point for the "security amendment". The concept of "safety" is interpreted in a broad sense and in this document, it covers both the threats to public safety (criminal intentions, the danger of terrorist or other attacks) involving goods traffic (for example, smuggling of or trade in arms, biological products or explosives prohibited), as the threats to society because of the trade in goods hazardous to health, the environment and consumers. These areas are the so called non-fiscal tasks of Customs.

- Security: The definition of security is not given in the legislation, on the website of the European Commission the following information can be found: "Transport security can cover everything from terrorist attacks to prevention of vandalism and graffiti. Transport security is a sensitive issue that

---

[41] *The definition of the World Customs Organization (WCO)*
[42] *Enhancing Security Throughout the Supply Chain David J. Closs John H. McConnell et al Chair in Business Administration Department of Marketing and Supply Chain Management Michigan State University*

affects all transport users and transport providers. It is a basic right to be able to travel without fear of being a victim of some form of attack. Yet, it is also important that security is not so intrusive as to make travel an unpleasant experience. As rare as a terrorist attack might be, the risk remains, and exposes the vulnerabilities of the entire transport supply chain. Other forms of security threats to transport are more common: crimes committed on the premises of transport operators (like a break-in), stowaways, robbery of valuable cargo in transit, or piracy on the high seas." [43]

- "The supply chain is the network of organisations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer"(global logistics & supply chain management John Mangan, Chandra Lalwani, Tim Butcher & Roya Javadpour, page 10).

- "Supply chain management is the management, across and within a network of upstream and downstream organisations, of both relationships and flows of material, information and sources. The purposes of SCM are to create value, enhance efficiency, and satisfy customers".("Global logistics & supply chain management", John Mangan, Chandra Lalwani, Tim Butcher & Roya Javadpour, page 11).

- "Supply chain integration (SCI is applied to improve the logistics performance of an enterprise by reducing costs and increasing customer service. The economic interest plays a large role. Supply chain integration is matching activities for the planning, inspection and execution of logistics processes between and within the separate links of a chain to the logistic processes of the whole chain". (David J. Closs John H. McConnell et al).

- "Supply chain security management is the "application of policies, procedures, and technology to protect supply chain assets … from theft, damage, or terrorism and to prevent the unauthorised introduction of contraband, people... into the supply chain" (Closs and McGarrell, 2004)."

- "Risk" means the likelihood of an event occurring, in connection with the entry, exit, transit and end-use of goods moved between the customs territory of the Community and third countries and the presence of goods that do not have a Community status which Prevents the correct application of Community of national measures; or Comprises the financial interests of the Community and its Member States; or Poses a threat to the Community 's security and safety, to public health, the environment or to consumers."[44]

- "risk management" means the systematic identification of risk, including through random checks, and the implementation of all measures necessary for limiting exposure to risk.[45]

1.10 List of figures

---

[43] *https://ec.europa.eu/transport/themes/security_en*
[44] *Working Document Taxud 2006/14 Brussels, 13 June 2006 page 9,*
[45] *Article 5:25 Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013*

2 Legal framework

2.1 WCO safe framework of standards

International trade is an essential driver for economic prosperity. The global trading system is vulnerable to terrorist exploitation which could severely damage the entire global economy (Kunio Mikuriya 2012). Worldwide Customs administrations face a trade security/trade facilitation dilemma, on one hand there is the continuing growth in legitimate international trade while on the other hand there is the illicit cross-border movement of weapons of mass effect, drugs, counterfeit merchandise, dual use goods, chemicals, small arms, nuclear material, undeclared merchandise, currency, cultural property, hazardous waste and people.[46] Nations seek economic and physical security from their Customs administrations, while international traders look for uniformity, predictability, transparency and efficiency in their dealings with Customs.

The WCO finds itself in the business of globalizing and to the extent possible standardizing Customs inspection efforts to improve both the security and facilitation of the global supply chain. The focus is more on trade facilitation rather than continuing to support unnecessary Customs inspections. At the WCO, this trade facilitation focus led to the negotiation of the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures between 1995 and 1999. Today 54 WCO Members, including all the world's major trading nations, are signatories to the Revised Kyoto Convention. However, 9/11 caused the world to refocus on Customs inspections and to recognize a simple truth and this truth is particularly relevant today due to the global terrorist threat, every nation has an absolute right to determine who and what crosses its national borders. The instrument of this exercise of sovereign inspection is, and always has been, Customs.

During the annual sessions in June 2005, the WCO's Council in Brussels, adopted the SAFE Framework of Standards[47] to Secure and Facilitate Global Trade by unanimous acclamation.[48] In June 2006, the WCO Council approved a document on Authorized Economic Operators (AEO's) as part of the SAFE Framework. This document contains the terms and conditions for the granting of AEO status to private sector entities that have secured their supply chain to the satisfaction of Customs. This document also sets forth the Customs clearance benefits which a validated and certified AEO will receive. The SAFE Framework and the AEO Guidelines were renewed and combined in one document by the WCO Council in June 2007.

In June 2010, the WCO issued its SAFE Package which brought together all WCO instruments and guidelines that support implementation of the SAFE Framework. The Package includes the SAFE Framework, AEO Implementation Guidance, the AEO Compendium, Model AEO Appeal Procedures, AEO Benefits and the Guidelines for Developing A Mutual Recognition Arrangement/Agreement (MRA) and an AEO Template have now been added to the Package.

The June 2012 version of the SAFE Framework includes new parts including moving Mutual Recognition to a new part 7, moving the AEO Conditions, Requirements and Benefits to a new Annex III.[49]
"The SAFE Framework aims to:
- *Establish standards that provide supply chain security and facilitation at a global level to promote certainty and predictability.*
- *Enable integrated and harmonized supply chain management for all modes of transport.*
- *Enhance the role, functions and capabilities of Customs to meet the challenges and opportunities of the 21st Century.*
- *Strengthen co-operation between Customs administrations to improve their capability to detect high-risk consignments.*
- *Strengthen Customs/Business co-operation.*
- *Promote the seamless movement of goods through secure international trade supply*

---

[46] *Fifth special meeting of the counter of the terrorism committee with international, regional and sub-regional organizations October 29-31,2007-10 Nairobi, Kenya Prevention of Terrorist movement / effective border security remarks by Michael Schmitz Director Compliance & Facilitation World   Customs Organization page -1-*
[47] *a global supply chain security initiative, developed at the WCO by the international trade community and WCO Member Customs administrations, to secure and facilitate the global supply chain.*
[48] *The Safe Framework of Standards June 2012 page-3-*
[49] *The Safe Framework of Standards June 2012 Introduction*

chains."[50]

The SAFE Framework consists of four core elements:
- it harmonizes the advance electronic cargo information requirements on inbound, outbound and transit shipments;
- each country that joins the SAFE Framework commits to employing a consistent risk management approach to address security threats;
- it requires that at the reasonable request of the receiving nation, based upon a comparable risk targeting methodology, the sending nation's Customs administration will perform an outbound inspection of high-risk cargo and/or transport conveyances, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors;
- the SAFE Framework suggests benefits that Customs will provide to businesses that meet minimal supply chain security standards and best practices.[51]

To sustain the core elements the WCO has developed a two-pillar strategy:
- customs-to-customs network arrangements;
- customs-to-business partnerships.

In basis, the SAFE Framework of standards aims to reduce multiple and complex reporting requirements by creating one set of international standards which establishes uniformity and predictability. The framework forms the basis for many of today's security initiatives such as the AEO concept and forms a key element of the SAFE Framework.

2.2 UCC

The AEO safety programme under the Council Regulation (EEC) No 2913/92 of 12 October 1992 (hereafter CCC) was based on a voluntary certification system. Since 1 may 2016 Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013 laying down the Union Customs Code (hereafter : UCC) is in place. Under the UCC the AEO safety programme is no longer based on a voluntary certification but on an authorisation system.

The basic rules relating to the conditions and procedure for granting the status of AEO are laid down in the Articles 38 and 39 of the UCC. While, pursuant to Article 40 UCC, article 24 till article 35 (EU) 2015/2446 of the European Parliament and of the Council of 28 July 2015 to the accomplishment of the Regulation (EU) nr. 952/2013 of the European Parliament and of the Council of 9 October 2013 the Delegated acts (hereafter: DA). An overview of all the main relevant articles of the UCC is set out in the annex 1 of this thesis.

2.2.1 Which enterprises are eligible
Because of the interests of many different enterprises in the International Supply Chain of a product, each with its own specific activities and their own responsibilities for the flow of goods, it is very important to know which type of enterprises in the logistic chain are eligible for an AEO.

In general, there are three different types of chains to define: producers, forwarders and facilitators, including customs agents. When applying for an AEO status, the different types of businesses cannot be assessed in the same way. A producer has other business activities, responsibilities and risks than, for example, a shipping agent. It is important to realize that one enterprise can fulfil multiple roles in the Supply Chain and multiple enterprises together can also fulfil only one role. An enterprise taking part in the Supply Chain which wishes to obtain the AEO status, has to comply with the requirements in relation to its specific role.

2.2.2 Types of Authorisations
Under the UCC, referred to in Article 38(2) UCC, there are two types of AEO authorisations: AEOC and AEOS. The first option is the AEOC authorisation, which is designed for economic participants who wish to claim the benefits of customs simplifications. E.g. a faster application process for customs simplifications & authorisations and reductions or waivers of comprehensive guarante.

---

[50] *The Safe Framework of Standards June 2012chapter 1.2 page -3-*
[51] *The Safe Framework of Standards June 2012chapter 1.2 page -3-*

Article 38(3) UCC specifically notes that both types of authorisations may be held at the same time. Which is intended for economic operators who wish to benefit from customs simplifications and facilitation relating to security and safety. Each status provides different (legal) benefits to certified enterprises:
AEO Customs: re use of research data with simplified procedures, less physical and documentary checks of documents, priority of (physical) checks, choice of the place of check.

- AEO-safety: in advance communication of the intended physical check, applying a limited dataset for summary declarations, less physical and documentary checks of documents, priority of inspections; choice of the place of inspection.
- AEO customs and security: enjoy all the above facilities.

2.3   AEO Guidelines TAXUD 2006/1450

The legal framework of the Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (UCC) are written comprehensively and can be interpreted differently by the Member States. Therefore a framework was developed for both the customs as the enterprises to achieve a common understanding and a uniform application of the new customs legislation for purposes of transparency and the equal treatment of enterprises. The framework is described in the TAXUD/B2/047/2011 - Rev.6 Brussels 11 March 2016 known as the AEO Guidelines. The AEO Guidelines explain the requirements that enterprises must meet in order to be regarded as an authorised AEO enterprise, however, it is not a legally binding document.[52] It only provides information.

The legal framework is based on a so called open norm, therefore it provides room for different interpretation of the standards in the document.

2.4   AEO Facilitations

Depending on the type of AEO authorisation, the AEO advantages can be classified in the following categories: customs simplifications, facilitations and more favourable treatments (Article 38(2) and 38(6) UCC).

Table 2: Overview AEO Facilitations, includes the compilation of the AEO facilities. In general, AEO facilitations, i.e. the benefits, are an integral part of the overall package of provisions established in the UCC for governing the AEO status.

Article	Type of AEO	Type of AEO	Type of facilitation
Article 38(6) UCC Article 171 UCC Article 24(2) UCC DA (for AEOS) Article 24(3) UCC DA (for AEOC)	AEOC	AEOS	Lodging a customs declaration prior to the presentation of the goods in order to get a prior notification in case of selection for physical inspection
Article 38(6) UCC Article 24(1) UCC DA	AEOC	AEOS	Less physical and document-based inspections & Priority treatment if selected for inspection
Article 23 UCC DA		AEOS	Exemption of Safety& Security data for customs declaration or a re-export declaration
Article 38(7) UCC	AEOC	AEOS	Mutual recognition of AEO with third countries
Article 38(6) UCC Article 24(4) UCC DA	AEOC	AEOS	On request inspections may be carried out at a place other than the place where the goods have to be presented to customs

Figure 4: Overview of the AEO facilitations

Blue print

---

[52] *The AEO Guidelines TAXUD/B2/047/2011 - Rev.6 Brussels 11 march 2016 page -2-*

In addition to the EU AEO benefits the Dutch Customs also grants to the AEO holders some additional benefits. To clarify all these EU and national benefits the Dutch Customs has developed the so called AEO "Blue print" in Dutch "Staalkaart" 53 The AEO Blue print framework includes all important decisions and additional information relating to the legal AEO facilities and additional national AEO benefits. Dutch Customs uses It as a tool to get insight into which AEO facilities and additional national AEO benefits are currently granted within the different customs processes.

In addition to its own inspection tasks Dutch Customs also performs several inspection tasks on behalf of other enforcement partners. These tasks usually fall outside the framework of the AEO therefore no facilitation can be applied for AEO's.

Incoming goods

For the' incoming goods' Customs checksthe safety and security of the goods. In order to be eligible for the AEO facilities in this process an operator must be an AEO-S or AEO-F. These facilities can only be provided when an AEO-S or AEO-F can be recognized as such in the declaration system of the Customs. Therefore, the EORI number of the AEO-S or AEO-F has to be listed in the prescribed fields of a summary declaration upon entry (ENS – Entry Summary Declaration) and/or the summary declaration for temporary storage (SATO, also called SAL – summary declaration for goods – to resolve).

Depending on the relation between the AEO holders certain benefits are given, as illustrated in figure 5. Explanation of symbols used in figure 5:

- X-one AEO is sufficient for the relevant facility;
- XX-combination of multiple AEO holders required to give the facility;
- ? -Depending on the role of the operator;
- (letter)-reference to a more detailed explanation under the appropriate crosses list.
-

AEO Facilitation	Exporter outside EU (MRA)[54]	Petitioner ENS/SAL[55]	Temporary Storage holder and free zone	Customs Broker	Carrier	Consignee ENS/SAL[56]
Less physical checks		XX				XX
First rank physical check		X				X
Re use data		X				X
Advanced info check		X				
Limited additional data set		X		X	X	

Figure 5: AEO facilitations regarding the AEO steel framework import process

Exit process

---

[53] *AEO "Steel framework" (staalkaart) Version 6 made by Dutch National office in Rotterdam enforcement policy May 2015*
[54] *MRA= Mutual Recognition Agreement*
[55] *Petitioners of Summary Declarations (exit summary declarations ENS and SATO) essentially are: shipbrokers (seaside), airlines and a limited number of handlers (air side).*
[56] *'Consignee ' is mentioned as the person to whom the goods are shipped*

For goods which ' exit ' the European Union Customs checks the safety and security of the goods. In order to be eligible for the AEO facilities in the "exit" process an operator must be an AEO-S or AEO-F. These facilities can only be provided when an AEO-S or AEO-F can be recognized as such in the declaration system of the Customs.

AEO Facilitation	Producer EU		Exporter	Custom Broker	Petitioner NEU country	Consignee NEU Country
Less physical checks			X	X(a)[57]		
First rank physical check			X	X(a)		
Limited additional data set			X	X		

Figure 6: AEO facilitations regarding the AEO steel framework export process

2.5   Interim Conclusion and discussion

We can divide the frameworks regarding the AEO in legal frameworks and other frameworks like the AEO Guidelines. However, the legal framework is broad and offers room for interpretation and the AEO Guidelines are not legally binding. The framework has an open character.

According to the requirements, the AEO enterprises must assure and identify their trading partners in the supply chain on safety and security. Meeting this requirement can be quite a challenge: after all most enterprises put their commercial interests before their security interests. These business challenges will be covered in chapter 3 of this thesis. According to article 39 UCC the applicant must not be guilty of any serious infringement or repeated infringements of customs legislation and taxation rules, including having no record of serious criminal offences relating to the economic activity of the applicant. This could lead to discussion and difference in interpretation. To illustrate, I would like to give an example: as penal provisions are regulated at a national level it may therefore be possible that in Netherlands, where we have a policy of tolerance concerning soft drugs, possession of such drugs might nog constitute an offence. The same fact can constitute a serious offence in another Member State and as a result can give the authorities a reason to reject the AEO application. This article leads to interpretation disputes, not only between different member states but also between different AEO auditors.

The Customs authorities are primarily responsible for the supervision of the overall supply chain security. [58] Although letter c of article 3 UCC mentions that Customs authorities must ensure the security and safety of the Union and its residents etc., safety and security are not defined in the legislation. The terms "safety" and "security" in the legislation are used together. It is not clear what is meant by security and what is meant by safety. In chapter 1.8 we have read that the Commission published two communications that formed the starting point for the "security amendment" where "safety" is interpreted in a broad sense. To achieve a uniform approach to the AEO concept, it is very important to define what is meant by security and what is meant by safety, because it could lead to legal inequality.

---

[57] (a) *Only less physical checks, when the declarant and the person on the export declaration mentioned as an exporter, both have a certificate AEO-S or AEO-F.*
[58] *Article 3 Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013 laying down the Union Customs Code*

3   Supply chain Security challenges

It doesn't come as a surprise that making the supply chain more secure presents both sides, Customs and businesses, with many different challenges. These challenges are described in this chapter.

Cooperation in the chain can lead to an improvement in the position of all parties. There has been a lot of attention for the concept of SCM in recent years. There are different reasons which caused this revival in interest in SCM, namely:

- The shifting balance of power in the chain;
- The outsourcing trend;
- The increasing pressure on stocks; and, as a result
- The chain reverse;
- Increased quality and environmental requirements; and safety requirements.
- The availability of modern (communication) technology.

Due to strong international competition organizations are fighting for the favour of the consumer. The consumer is unpredictable in its purchasing behaviour and therefore it is important to keep the stocks as low as possible and as flexible as possible to be able to anticipate the consumer's wishes. This leads to a reversal of the commodity chain. The traditional "push" system, in which the chain offer is sent, is replaced by a "pull" system, where the demand of the customer is leading.

Ideally, a new item in the chain is produced and transported, only when the consumer indicates that he wants something. The chain reversal is important for the logistics. As a "pull" system should be realized without using high stock levels, this means that the frequency of the orders must be high, the volume of the order lower and the delivery times short. The chain reversal seems contradictory to the goal of making the society safer. Business has other interests, after all, business benefits from many fast transactions, while the measures relating to security means delay. Because of this a chain reversal is only possible if the parties concerned work together. The whole chain, which begins with the extraction of raw materials and continues through suppliers, manufacturers and retailers and ends with supplying goods to their users, should be as smooth as possible. However, nowadays, conflicting objectives are noticed in the supply chain. Firstly, to get shipments through the supply chain faster and faster, and secondly, to do so in a way that is more secure. The governments, mainly the customs authorities, are doing their part to protect supply chains with regulations and security programmes. In addition, because of their own responsibility, businesses are involved as well.

However, many enterprises are struggling with those security concerns which are complex, time-consuming and hard to address. As globalisation continues, supply chains are getting more global and more activities are being outsourced to specialized actors. This is where the cost/benefit principle applies by weighing the advantages against the disadvantages. Ultimately, security for enterprises is about speed, costs and safety.

To coordinate all the activities of all the organizations in the chain to reach a common purpose is necessary. Safety and environmental aspects strengthen the urge for a chain approach. An increasingly important topic is the traceability of finished products in the chain. To ensure this an inspection and monitoring of the entire chain is of interest. Planning on future demand regarding capacity, materials and communication between the different actors are essential for SCM. It is about inspecting the supply chain, knowing what you have to order and making sure it gets there on time. [59]

3.1   Supply chain security challenges for Customs

Burdens versus facilitation
The Customs authority has the responsibility to protect the European borders, and on the other hand, from business point of view, it is expected to keep the velocity in the supply chain. In the port of Rotterdam a total of 54 million tonnes of goods in containers have been discharged last year. The total quantity of containerised goods discharged in the Rotterdam docks is nearly 4 million containers. [60] The cargo volume

---

[59] *Enhancing Security Throughout the Supply Chain David J. Closs John H. McConnell et al Chair in Business Administration   Department of Marketing and Supply Chain Management Michigan State University*
[60] *https://www.cbs.nl/nl-nl/nieuws/2015/36/-containervervoer-naar-rotterdamse-haven*

at Amsterdam Airport Schiphol in 2016 has increased with 1,8 % to 1.7 million tonnes.[61] It is impossible to conduct physical checks of all the cross border goods. Customs should work smarter by, for example, using advanced technology.

In relation to international perspective and the existing literature on supervision[62], the Dutch Customs administration has developed the so called enforcement vision. Part of this enforcement vision is the sophisticated use of the Authorised Economic Operator (AEO) system, cross border coordination, supply chain security information exchange ("*the situation in which all forms of global exchanges of information are included in Dutch Customs' risk-weighting system as part of its inspection process*"[63])

With the enforcement vision approach, Customs is working towards a layered enforcement concept, with supervision in a blue, green and yellow variant. Which means that Customs:

- intervenes in the logistics at the border based on risk analyses in the blue goods flow,
- makes observations – preferably outside of the logistics process to verify that traders are acting correctly within the green goods flow, and;
- works on securing entire chains in the yellow goods flow.[64]

The weakest link
The AEO is based on supply chain security, this means the safety of the goods in the chain must be guaranteed. The chain consists of all the stakeholders between manufacturing and the consumer.[65]

In the AEO Guidelines,[66] the following participants are mentioned in the international supply chain:
- Producer: In the international supply chain, the producer is responsible for a safe production process;- and the safe delivery of his products to its customers.
- Exporter: the exporter is the person on whose behalf the export declaration is made and who owns the goods, or who has a similar right over the goods. In the international supply chain, the exporter is responsible for subjects among the secure delivery of the goods to the carrier, the shipper or the customs agent.
- Forwarder: a freight forwarder organises the transport of goods in international trade on behalf of an exporter, an importer, or another person.
- Customs ware housekeeper: a Customs ware housekeeper is a person who is authorized to manage a warehouse in accordance with legal provisions mentioned in the Community customs code.
- Customs agent: In the AEO Guidelines, a customs agent representative in customs matters. A representative in customs matters acts on behalf of a person who assumes responsibility for customs-related activity.
- Carrier: the carrier is the person who actually carries the goods or who is responsible for the means of transport by which the goods are transported. He is responsible for: the safe transport of the goods.
- Importer: an importer is a person on whose behalf the Declaration is made.

---

[61] *http://nieuws.schiphol.nl/verkeer--en-vervoerscijfers-schiphol-group-2016/*
[62] *Hulstijn, J., W. Hofman, G. Zomer and Y.-H. Tan (2016). Towards Trusted Trade-lanes. IFIP E-Government (EGOV 2016). H. J. Scholl. Guimaraes, Portugal.*
[63] *Enforcement vision, pushing boundaries Dutch Customs page 6*
[64] *Enforcement vision, pushing boundaries Dutch Customs page 6*
[65] *AEO Guidelines TAXUD/B2/047/2011 - Rev.6 Brussels 11 march 2016*
[66] *AEO Guidelines TAXUD/B2/047/2011 - Rev.6 Brussels 11 march 2016 page 21*
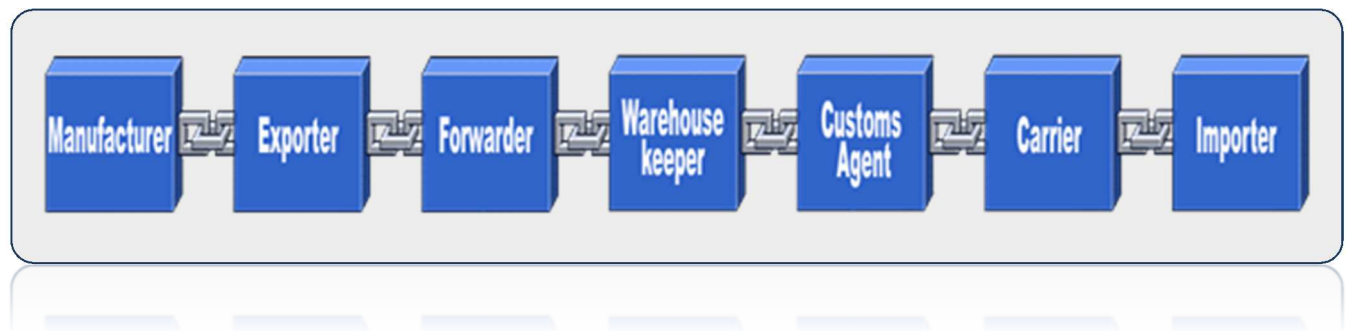
Figure 7 : The logistic chain(source: AEO guidelines/ taxud 2006/1450)

The Customs authority must be committed to the commercial interests of enterprises to create a long-term relationship with trusted parties in the chain. This could be achieved by cooperation with trusted enterprises within the supply chain aimed at maintaining safety in all its aspects. Integrity will be rewarded in the form of faster handling. Since many stakeholders are involved in the supply chain, all with different power and belongings, it is therefore very important to know the logistic partner in the chain and their security standards.

However, a chain is only as strong as its weakest link.

"In every chain of reasoning, the evidence of the last conclusion can be no greater than that of the weakest link of the chain, whatever may be the strength of the rest."[67]

Although more and more business only wish to cooperate with trusted partners who are actively involved in (certified) security programmes, the AEO programme is voluntary and it is up to each enterprise to decide if the AEO is appropriate for them. This decision is be based on an assessment of the likely benefits, their role in the supply chain, and the cost of applying and maintaining the AEO status. From a customs perspective, it is equally important to be able to guarantee the high standard of the AEO programme by monitoring of AEO enterprises.

Regulatory based supervision versus system based supervision
The classic supervision of Customs authorities is based on regulatory supervision. The AEO concept is based on trust and system based supervision (horizontal supervision, 2008), (Tax Inspection Framework, 2008), (Vos & Witte, 2009). and less regulatory supervision.
The system based supervision takes the whole system of internal inspections of processes and systems into account . It means physical inspections of goods and containers at the border are replaced by periodic checks of the internal inspection systems in enterprises and their ICT implementations, this is a different approach to the one of the transaction based supervision which is commonly used on fiscal matters. [68] The Dutch Customs is working on so called "trusted trade lanes". The non-compliant enterprises will be subjected to Customs checks, the compliant enterprises will get the benefits.

---

[67] *Thomas Reid's Essays on the Intellectual Powers of Man, 1786*
[68] *"Towards trusted tradelanes" J. Husltijn et al University of Tilburg 2016*
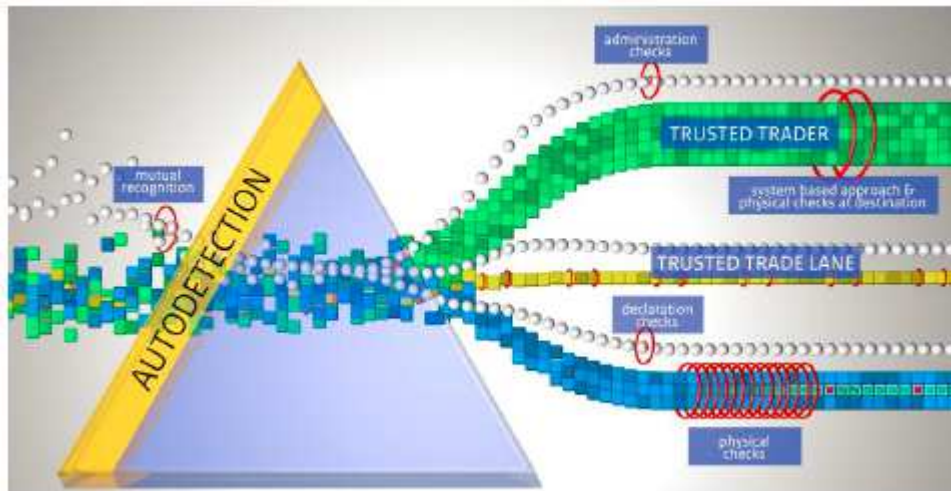
Figure 8: The vision on regulatory supervision of the Dutch Custom organization

On the basis of pre- arrival data, the stream of goods is separated into three different flows:
- Blue: unknown trader (traditional);
- Green: trusted trader (AEO since 2007; customs licenses);
- Yellow: trusted trade lane (future).

Safety & Security versus fiscal supervision
With the introduction of the AEO programme Custom officers are faced with safety and security matters. This is a new phenomenon in the world of Customs. Customs where struggling with the question, what exactly is safety and what exactly is security. In particular security matters are new in the world of Customs.

Inspection versus trust

The AEO concept is based on trusting the AEO applicant, this is also a new phenomenon in the world of the traditional Customs. The set of mind of many Custom officers still is: "*Trust is good but inspection is better*". But what is trust exactly? There's been a lot of research done on trust in all kinds of scientific disciplines; from sociology, through psychology, economics to computer science.
There are a number of different definitions of trust (see (Gadge et al., 1998), (Kramer & Tyler, 1996), (Lewicki & Bunker, 1996), (Luhmann,1979), (Nooteboom ed a/., 1997), (Mayer et aL, 1995), (Tan & Tagra, 2000, 2002, 2003), (Tan & Curtain, 2005)).

Professor dr. Yao Hua Tan combines all these definitions and comes to the following two aspects of trust:
1   You are in need of someone else, for something you want to achieve yourself.
2   You become vulnerable and dependent.

In line with the AEO concept, enterprises need to develop self-regulation and inspection. The enterprise should be its own inspector/auditor. However, an analysis of AEO cases by Professor dr. Yao Hua Tan has shown that the communication between the business sector and the Government about the subject of inspection is difficult. To illustrate this problem, the research team of Professor dr. Yao Hua Tan developed a multi-agent model.[69] ((Banji etal., 2009, 2010a, 2010b), (Castelfranchi & Tan, 2001), (Falcone etal., 2001.), (Torre & Tan, 1999)).

---

[69] Professor dr Yao Hua Tan *Technieken voor Verantwoord Vertrouwen Intreerede Uitgesproken op 29 april 2011 Ter gelegenheid van de aanvaarding van Het ambt van hoogleraar Information and Communication Technology Aan de faculteit Techniek, Beleid en Management Van de Technische Universiteit Delft page 17*
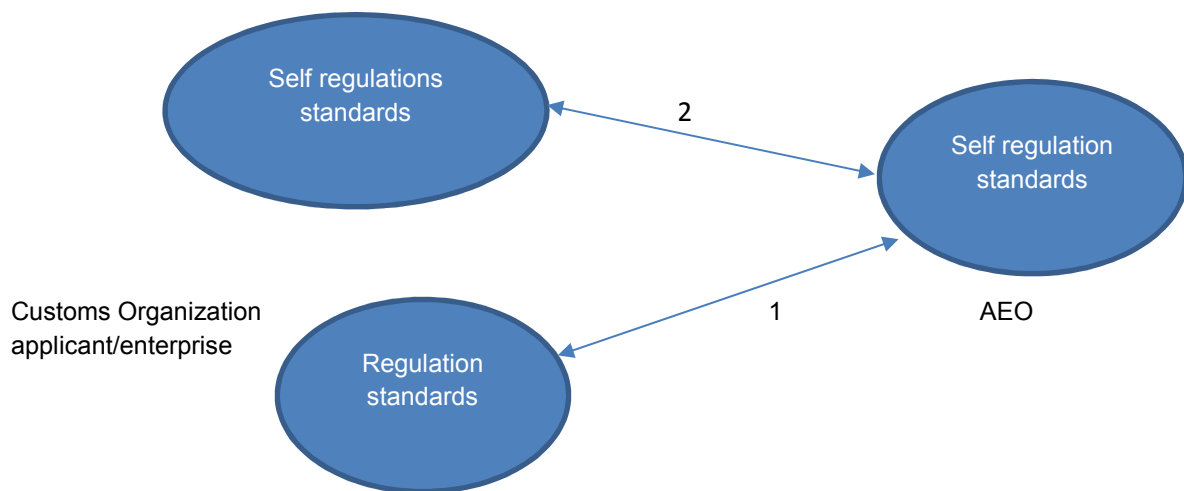
Figure 9: Multi agent model for self-regulation

The first communication problem (1) in Figure 7 concerns the knowledge about the regulatory standards. That is difficult for two reasons. First of all, regulatory standards are only partly described in books. Most of the knowledge concerning applying and monitoring remains in the minds of the experts of the Customs and tax authorities. Secondly, those standards must be translated into the specific context of a specific business.

The second communication problem (2) in Figure 7 is that the enterprise must convince the Government that they are indeed applying the right standards. This works both ways, what I mean to say is that governments must also adhere to their standards, otherwise the enterprise is appealing on the government by not applying on their own standards.

In line to the AEO I would say Governments must commit to the benefits of the AEO status only on that basis trust could be developed, otherwise business are not committed to compliance with the Customs authority.

3.2   Supply chain security Challenges for business

Many of the actions required to ensure security and preparedness conflict with traditional corporate goals and processes. This is the conclusion of a study of professor Yossi Sheffi[70] ,consider, for example, the following trade-offs:

Repeatability vs. unpredictability.

---

[70] *Supply Chain Management under the Threat of International Terrorism (Page 16) Yossi Sheffi Professor of Engineering Systems Professor of Civil and Environmental Engineering Massachusetts Institute of Technology MIT Center for Transportation and Logistics Rm 1-235 77 Massachusetts Avenue Cambridge, MA 02139*

In order to be successful and to reduce the costs, enterprises establish repeatable processes, on assumption that by repeating the same employees get good at it, it is easy to measure and easy to manage. When processes differ from the norm, enterprises generate another process to deal with exceptions in an attempt to standardize even the outliers. Many aspects of security, require enterprises to be less predictable. For example, daily changes to the route that a truck carrying hazardous material is using, or frequent changes to password systems and other entry inspection systems to access computers and facilities increases security.

The lowest bidder vs. the known supplier.
In order to enhance security, enterprises may choose to deal with fewer suppliers on a long-term basis, but there might be substantial costs incurred in doing so. New suppliers often offer more competitive prices and they may bring new ideas and innovative processes. The same rationale applies to the choice of local vs. overseas suppliers. Changing suppliers to reduce costs may bring security risks but could be a real threat to the supply chain security.

Centralization vs. dispersion.
To forecast security risks, enterprises should manage inventory centrally, because many corporate activities, from the provision of information technology to office work, are conducted better in a central location. However, security considerations, call for dispersion in order to mitigate the effect of any possible local terrorist attack.

Managing risk vs. delivering value.
The costs of implementing security measures are likely to be significant. The success of such measures cannot be measured by the value they deliver. Instead, these measures will be most successful if they are never actually tested. Consequently, it will be difficult to keep vigilant and keep investing in security measures that do not deliver value in the short term.

Collaboration vs. secrecy.
To make supply chain management more efficient and to avoid some of the increased costs of longer and less certain leap times, demands collaboration among enterprises and transparency. Two of the tenets of security however, are secrecy and integrity. While corporations may be exposing more of their data and internal workings to others, and even sharing information about security measures with other corporations, they have to do so without compromising their own security.

Redundancy vs. efficiency
The preparatory steps that corporations may be taking regarding security policies, like inventory management and backup, involve the creation of redundancies in the system like for example an extra supplier capacity, extra inventory, backup equipment and processes. Such redundancies are, by their very nature, in direct conflict with the efficiency of operations. Redundancy calls for a "just in case" mentality while modern operations are organized around "just in time" systems ("lean[71] operations").

Government cooperation vs. direct shareholder value.
Many (US) executives are conditioned to put near-term shareholder value above all other considerations. The security environment (like CTPAT and AEO) require cooperation with government and other enterprises, including competitors, even if it is at the expense of the short-term profit and the near-term shareholder value.

3.3   Interim conclusion and discussion

The AEO has presented the Customs authorities and Custom officers with a challenge concerning a different supervision approach. While in the past the focus was on physical inspections, nowadays the supervision is more system based and based on administrative inspections. This change desires a different mentality and a different kind of knowledge of the modern Custom officer. The "traditional" Custom officer is trained by rule based supervision laid down in the Customs legislation, the modern Custom officer needs the knowledge of system based auditing, safety and security knowledge and, last but not least, the

---

[71] *Lean is a business strategy for improving efficiency and eliminating waste and activities without added value. Eliminating waste has the aim of creating flow and meet the customer's demand, lean six sigma.nl*

knowledge of the supply chain, which is very important for understanding business and creating level playing field.

Governments play the main role in this process by bringing security policies, security regulations, voluntary security programs such as the AEO into force and creating new areas of concern. While governments may consider terrorism as a more serious concern, businesses often focus on theft issues. Other typical governments concerns include intellectual property violations, violations of customs regulations and illegal immigration.[72]

---

[72] *Martina LANSKA Czech Technical University in Prague, Faculty of Transportation Sciences, Prague, Czech Republic*

4 Safety & Security Programmes

Due to the security of international supply chains, several voluntary supply chain security programmes have been created or modified. To investigate if there are security measures similar to the AEO security requirements it is relevant to compare these voluntary programs but also other obligatory safety and security measures which are laid down in the legislation. In 2006 Ximena Gutierrez and Juha Hintsa from the cross-border research Association in Lausanne wrote a paper which describes the comparison of nine different security initiatives around the world.[73]

Customs Compliance programmes

PIP, Partners in Protection
Partners in Protection (PIP) is a cooperative programme between private industry and the Canada Border Service Agency (CBSA) aimed at enhancing border and trade chain security by streamlining and making border processes more efficient for low-risk, pre-approved businesses recognized as trusted traders. PIP does not have a "certification" component as such and is a voluntary programme which has no membership fee. As a member, you must abide by the rules and responsibilities outlined in the PIP Terms and Conditions of Use. In return, the CBSA will assess the enterprise's physical, infrastructural, and procedural security, and will recommend necessary improvements. This will enhance the integrity of the production, transportation, importation and/or exportation processes.[74] A PIP participant can apply for CSA (Customs Self-Assessment program) to expedite goods (in)to Canada.

EU AEO, European Union Authorized Economic Operator
The 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 and are entitled to enjoy benefits throughout the EU.[75]

Stair Security
This is a programme introduced by the Swedish Customs programme Stairway. "This module makes it possible within the Stairway program, to assure quality for operators not only in their customs routines but also for the security measures they have taken to prevent terrorists from using the operators commercial flow of goods for transporting weapons of mass destruction".[76]

Government origin programs
C-TPAT, Customs-Trade Partnership Against Terrorism. The CTPAT programme began in November 2001. Today, there are more than 11,325 certified enterprises. These enterprises account for over 54 percent (by value) of what is imported into the United States.[77] CTPAT is a "Joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security"[78]. The core principle of CTPAT is the increased facilitation for legitimate business entities that are compliant traders, one of its main motivations is to protect US borders from terrorist attacks occasioned by goods entering the country.

Secured Export Partnership
The Secure Exports Scheme (SES) is designed to give New Zealand exporters greater certainty at international borders by minimising the risk of delays caused by Customs intervention and by giving them priority in trade recovery situations. Exporters from New Zealand are eligible and encouraged to participate; especially those moving goods to the US.[79]

International Organization origin programs

---

[73] *Voluntary Supply Chain Security Programs: A systematic comparison Ximena Gutierrez, Juha Hintsa Cross-border Research Association, Lausanne, Switzerland ; EPFL ; HEC Lausanne*
[74] *http://www.cbsa.gc.ca/security-securite/pip-pep/menu-eng.html*
[75] *http://ec.europa.eu/taxation_customs/general-information-customs/customs-security/authorised-economic-operator-aeo/authorised-economic-operator-aeo_en#what_is*
[76] *http://www.tullverket.se/en/Business/the_stairsec/*
[77] *http://c-tpat.com/what-is-ctpat/*
[78] *http://www.customs.gov/xp/cgov/import/commercial_enforcement/ctpat/fact_sheet.xml*
[79] *http://www.customs.govt.nz/news/resources/listsandguides/Documents/SES%20general%20brochure.pdf*

ISO, International Standards Organization, is an independent, non-governmental international organization with a membership of 164 national standards bodies, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges. This organization is developing security
standards aiming to become the global supply chain security standard program. It develops not only security standards, but different standards covering almost every industry, from technology, to food safety, to agriculture and healthcare.[80]

WCO Framework of Security standards to secure and facilitate global trade
This is a framework of security standards developed by the World Customs Organization. It intends to provide a new and consolidated platform which will enhance world trade, ensure better security against terrorism, and increase the contribution of Customs and trade partners to the economic and social well-being of nations. It aims to improve the ability of customs to detect and deal with high-risk consignments and increase efficiency in the administration of goods, thereby expediting the clearance and release of goods. Hundred countries have signed a letter of content, expressing their wish to implement the framework (July 8, 2005). World Customs Organization (2005).

Private origin programs
TAPA, The Technology Asset Protection Association: TAPA's mission is to minimize cargo losses from the supply chain. TAPA achieves this through the development and application of global security standards, recognized industry practices, technology, education, benchmarking, regulatory collaboration, and the proactive identification of crime trends and supply chain security threats.[81] This programme has no government recognition.[82]

BASC, Business Alliance for Secured Commerce
BASC is an international business alliance, created to promote secure international trade in cooperation with governments and international organizations. The BASC programme examines the entire process of manufacturing and shipping of merchandise from foreign countries to the United States, emphasizing the creation of a more security-conscious environment throughout the supply chain.[83]

Security measures/ initiatives	PIP	BASC	TAPA	CTPPAT	SECEXP	STAIRSEC	WCO	AEO	ISO
1. Facility management									
1.1 Warehouse/terminal layout design (entry/exit inspection ability; clearly marked inspection areas; adequate product marking, sufficient light conditions etc.)	1	1			1		1		
1.2 Inventory management and inspection (adequate management of inventory information; use of product marking standards etc.)		1						1	
1.3 Facility protection (fences; locks; walls; minimization of exit and entry points etc.)	1	1	1	1	1	1	1	1	1
1.4 Facility monitoring (24hr camera system, security guards, filming activities of loading containers, picking etc.)		1	1	1	1		1		1
1.5 Access/presence inspection processes and technologies (id / badges; smart cards; biometrics etc.)	1	1	1	1	1	1	1	1	1
2. Cargo management									
2.1 Prevention, detection and reporting of shipping process anomalies (routes and schedules continuous review; alerts management, detection and follow-up of overages and shortages etc.)		1	1		1		1		1
2.2 Inspections during the shipping process (in points where liability changes, to packaging materials and vehicles before getting in contact with cargo, reporting of shortages overages etc.)	1	1	1	1			1	1	1
2.3 Exploitation of cargo inspection technical solutions (use of various scanners; nuclear/chemical/biological weapon sensors/detectors etc.)							1		
2.4 Exploitation of cargo tracking technical solutions (bar codes, RFID, satellite tracking, etc.)		1	1	1	1		1		
2.5 Exploitation of cargo and vehicle anti-tampering technical solutions (use and inspection of high	1	1	1	1		1			

---

[80] *https://www.iso.org/about-us.html*
[81] *http://www.tapaonline.org/our-mission-vision-values*
[82] *Voluntary supply chain security programs: a systematic comparison Jua Hintsa et al*
[83] *http://www.wbasco.org/index-eng.htm (website Business alliance for secure commerce)*

security seals; vehicle immobilisation devices, etc.)									
3. Human resource management									
3.1 Employee hiring / exit process (background checks; interviews for leaving or fired employees etc.)	1	1	1	1	1		1	1	1
3.2 Personnel training process (continuous training on security issues; risk awareness etc.)	1	1	1	1	1	1	1	1	1
3.3 Information dissemination process (internal and external publication of the enterprise security policies)	1	1	1				1		1
3.4 Organizational roles and responsibilities (establish security goals, assign security responsibilities to personnel, identify security required skills etc.)		1							1
3.5 Security culture development (motivation and incentive programs targeting for cooperation and engagement with security issues)		1					1		
4. Information management systems									
4.1. Quality information/data management (manage more complete and accurate shipment information, establish error-proof documentation processes, data integration etc.)	1		1	1					1
4.2. Protection of business information/data (management procedures and storing methods design to protect information from unauthorized access and usage)	1		1	1	1	1	1	1	1
4.3. Recordkeeping of shipping information for potential security audits (maintenance of complete records of the custody of cargo, improved recordkeeping methods; quality inspection of records, errors correction etc.)		1		1				1	1
4.4. Data exchange with Customs administrations (readiness to provide complete and on-time information as required; in particular compliance with Advance cargo information schemes etc.)	1	1		1		1	1	1	1
4.5. Use of international standards for data management (WCO Customs Data model, Unique Consignment Reference, digital signatures, digital certificates etc.)							1		
5. Business network & Enterprise management systems									
5.1 Enterprise security management system (defined and documented security processes, defined and inspection-led security indicators, internal and external audits, etc.)		1		1		1	1	1	1
5.2 Logistics system designed to reduce risks (Evaluation of scenarios of natural risks, accidents, intentional human acts, terrorism etc.)									
5.3 Logistics system designed to guarantee quick eventual disaster/failure recovery (contingency plans, additional capacity, alerts management etc.)							1		
5.4 Business partners evaluation system (selection of low risk and high security compliant suppliers, clients and subcontractors)	1		1	1	1		1		1
5.5 Establishment of collaborative relationships with Customs administrations and other border agencies with inspection or security functions. Procedures for the notification of anomalies or illegal activities. Consultation customs regulations and security matters.	1	1	1	1			1	1	1
Degree of similarity to the general supply chain security framework									

Figure 10: an overview of all safety and security initiatives Source: Paper prepared for ILS 2006, The International Conference on Information Systems, Logistics and Supply Chain. Lyon, France, May 15-17, 2006.Guttierez and Hintsa

What Guttierez and Hintsa observed was, that there were five security measures present in more than 80% of the studied voluntary security programs, namely:
- Facility protection,
- Access/presence inspection process technologies,
- Personnel training process,
- Employee hiring,
- process and Protection of business information/data).

In 70% of the existing programs, they noted that the security measures mainly refer to collaboration with government and other business partners, and to internal enterprise security processes. Measures targeting quick recovery after disaster and those suggesting the use of specific data or technological standard were found to be the least common measures among the analysed programs. The use of cargo tracking technical solutions (bar codes, RFID, satellite tracking etc.) is not suggested by any of these security programs. The research team found this result somewhat counterintuitive, given that this field has been both practical reality area (especially bar codes) and an active piloting area since some years.
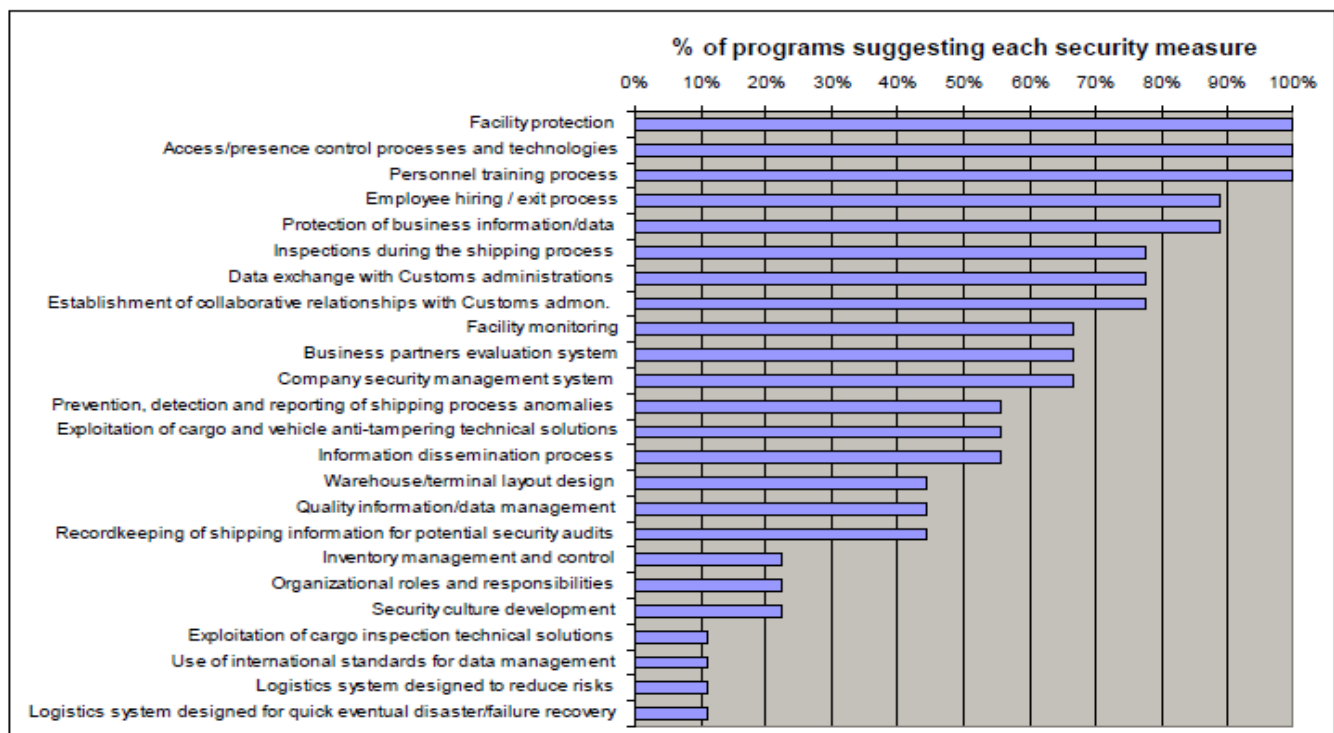
Figure 11: % of programs suggesting each security measure Source: Paper prepared for ILS 2006, The International Conference on Information Systems, Logistics and Supply Chain. Lyon, France, May 15-17, 2006.Guttierez and Hintsa

4.1 Mandatory security measures

Legislation

The European commission introduced several security measures in the legislation, most important is the summary declaration (ENS). In line with article 27 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013, laying down the Union Customs Code (hereafter the: UCC). Goods brought into the customs territory of the Union shall be covered by an entry summary declaration (ENS or SAL[84]). The entry summary declaration shall be lodged by the carrier. Notwithstanding the obligations of the carrier, the entry summary declaration may be lodged instead by one of the following persons[85]:
(a) the importer or consignee or other person in whose name or on whose behalf the carrier acts;
(b) any person who is able to present the goods in question or have them presented at the customs office of entry.
The entry summary declaration shall contain the particulars necessary for risk analysis for security and safety purposes. The entry summary declaration shall be lodged at the customs office of first entry within a specific time-limit, before the goods are brought into the customs territory of the Union.[86] In line with article 128 of the UCC the customs office referred to in Article 127(3) UCC shall, within a specific time-limit, ensure that a risk analysis is carried out, primarily for security and safety purposes, on the basis of the entry summary declaration referred to in Article 127(1) or the particulars referred to in Article 127(8) and shall take the necessary measures based on the results of that risk analysis.

The specific time limits are mentioned in article 105 (maritime) till article 111 of the delegated acts (EU) 2015/2446 of the European Parliament and of the Council of 28 July 2015 to the accomplishment of the

---

[84] *ENS= Entry Summary Declaration, SAL= Summary Declaration for Temporary Storage*
[85] *Article 127 point 4 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code*
[86] *Article 127 point 3 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code*

Regulation (EU) nr. 952/2013 of the European Parliament and of the Council of 9 October 2013 (hereafter: DA) . These specific times differ by the modes of transport, for example containers or bulk goods. In case of maritime transport of containers, the time limit is set on 24 hours before the container is placed on the vessel in the harbour of exit, for bulk goods the time limit is set on 4 hours before the goods will be arriving in the first harbour of the European Union. In line with article 106 of the DA, the ENS of air cargo is declared as soon as possible before the cargo is placed in the air plane.

The ENS is a set of information by which the Custom authorities can carry out a safety and security risk analyses. This set of information must meet the security information requirements in line with annex 30a of Regulation (EEC) no. 2454/93. The goods description in the summary declaration for temporary storage must meet certain quality requirements. You may not provide a general description of the goods, such as 'console', 'mixed cargo' or 'machine parts'. Enterprises with the AEO status have the benefit to lodge the ENS with a limited set of information.

Aviation security

At the highest level of the air transport industry the International Civil Aviation Organization (ICAO) plays a major role. The International Civil Aviation Organization is a UN specialized agency, established by States in 1944 to manage the administration and governance of the Convention on International Civil Aviation (Chicago Convention). ICAO works with the Convention's 191 Member States and industry. The most important legislative function performed by ICAO is the formulation and adoption of Standards and Recommended Practices (SARPs) for international civil aviation and policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector. [87] To offer this secure supply chain approach, ICAO and member states developed SARPs for international aviation security which were first adopted by the ICAO Council in March 1974, and designated as Annex 17 to the Chicago Convention introducing the regulated agent and known consignor regimes (ICAO & WCO, 2013).

In the European regulation (EC) No 185/2010 of the European Parliament and the European Council the certified Known Consignor/Known Sender is introduced. The regulation gives shippers a place in secure air cargo chain. The regulation is based on supply chain security, this means that after identification of air cargo every link in the chain must be in the possession of the following certificate:

- Shipper = Known Consignor
- Ground handler, forwarder, carrier = Regulated Agent
- Shipper= airline ground handler-forwarder (the secure chain)[88]

The regulation contains high safety and security measures, which are most similar to the AEO requirements. For example, the measures of the Known Consigner regulation are:

- Fences, watersheds, place obstacles;
- Visitors schemes settings;
- Information security guarantee;
- Enter partitioning;
- CCTV (camera surveillance);
- Solid locks etcetera;
- Staff who is responsible for safety;
- Security-training for the staff;
- Security policy/plan can consult;
- Registration in EU database;
- Declaration of good behaviour (VOG): screening back up to 5 years if people are hired after 29-04-2010 according to format of the ACN;
- Career screening: on the basis of the CV up to 5 years in the past.

Certified known consignors (KCs) and regulated agents (RAs) declare that cargo delivered to the airport will not contain any explosive or incendiary device. These shipments with a secure status can be loaded onto the aircraft without further security checks at the airport. Due to the considerable areas of common interest,

---

[87] *http://www.icao.int/about-icao/Pages/default.aspx*
[88] *http://www.evo.nl*

ICAO and WCO are working closely to align the cargo security provisions of the Chicago Convention and the SAFE Framework. It supports national efforts by customs authorities and its aviation partners to ensure the end-to-end security and facilitation of air cargo worldwide (ICAO & WCO, 2013).

Maritime security

Following on from the terrorism events, the International Maritime Organization (IMO) agreed to develop security measures applicable to ships and port facilities. Europe has issued the international regulations on ISPS as EU Regulation (EC) No 725/2004 of the European Parliament and the European Council of 31 March 2004, with the aim of improving security of ships and of port facilities. The ISPS code applies to ships engaged on international voyages (including passenger ships, cargo ships of 500 GT or higher and floating drilling platforms). [89] ,Not only vessels, but all enterprises in the port that come in contact with the vessels must comply with the ISPS Code. It includes detailed requirements for governments and port authorities to improve security at port facilities, based on security assessments and plans covering issues such as cargo monitoring, inspection and inspection of access such as:

- ensuring the progress of all port supply work;
- monitoring restricted areas to ensure only authorized persons have access;
- access inspection to the port facility;
- monitoring of the facility including the anchorages and mooring areas;

- monitoring when moving cargo and ship supplies;
- ensure that ready-to-use connection resources are available;
- fences, cameras of the port area.

ISPS is divided into three levels:

1. Normal situation: standard security measures are applicable;
2. General increased threat: stronger security measures shall be carried out;
3. Specific threat: very strict security measures shall be carried out.[90]

The ISPS Code security management requirements for ports and ships are globally mandatory for IMO member states. A previous study (Charles Sturt University, 2014) concluded that the ISPS Code is of relevance to the general topic of supply chain security. The methods adopted by the ISPS Code ensure confidence that adequate and proportionate maritime security measures are in place, however, it does not include the establishment of authorized operator arrangements. It applies mainly to cargo ships and to port facilities.

4.2   Business security measures

Because of insurance and own importance such as theft, logistic enterprises often already have their own set of measures regarding safety and security. This necessity comes from the enterprise itself and does not need to be imposed by the Government. For these enterprises meeting the AEO regulation standard just means adjusting some of the existing measures. If logistics enterprises already are certified for ISO9001 and/or TAPA, they would be expected to meet the AEO requirements.

4.3   Interim conclusion and discussion

My aim in this chapter was to describe the several voluntary and mandatory safety & security programmes in the logistic sector. It seems there is an overkill of security programmes which all show a high degree of similarities with the AEO programme. The conclusion of Ximena Gutierrez and Juha Hintsa was that there are no two programmes suggesting the exact same set of security measures. In contrast, it can be observed that each one targets the same security objectives but suggests different ways to achieve them. In spite of this apparent incompatibility between the programmes it is possible to observe that there are

---

[89] *https://www.portofamsterdam.nl/PortSecurity/documents/Werknotitie%20ISPS%20Code.pdf, work document ISPS*
[90] *https://www.portofrotterdam.com/nl/scheepvaart/port-security*

several voluntary security measures that are suggested by most of the studied programmes. It can be concluded that in the maritime and aviation legislation (ISPS, Known Consigner, recognized agent etc)the programmes show a high degree of similarities with the AEO requirements. The key difference is that the aviation legislation focuses on exports by air modality, while the AEO programs are open for all modalities that actors use to export and/or import.

Regarding the AEO safety & security requirements, the requirements are supposed to be fulfilled when the enterprise is TAPA certified. It is interesting to know if the security measures which are obligatory for obtaining the AEO status are similar of the programme of TAPA. The study of Ximena Gutierrez and Juha Hintsa shows that the security measures which are mentioned below are obligatory for obtaining the AEO status but not required in the TAPA programme:

- 1.2 Inventory management and inspection (adequate management of inventory information; use of product marking standards etc.);
- 4.3. Recordkeeping of shipping information for potential security audits (maintenance of complete records of the custody of cargo, improved recordkeeping methods; quality inspection of records, errors correction etc.);
- 4.4. Data exchange with Customs administrations (readiness to provide complete and on-time information as required; in particular compliance with advance cargo information schemes etc.);
- 5.1 Enterprise security management system (defined and documented security processes, defined and inspection-led security indicators, internal and external audits, etc.).

Next to the AEO programme and other voluntary security programmes it can be concluded that there are also several mandatory security requirements such as for example the entry summary declaration. The entry summary declaration has to be lodged in a set of information by which the Custom authorities can carry out a safety and security risk analyses. This set of information must meet the security information requirements in line with annex 30a of Regulation (EEC) no. 2454/93 and must be lodged within a certain time limit. As far as the export is concerned, there is the export inspection system (ECS) which is also a safety & security system for export.

One of the tasks of Customs is to stop unsafe goods at the border of the European Union, most of the goods are coming into the European Union at sea ports and airports, that is why that sea ports and airports must meet the highest security level in line with aviation and maritime legislation. These security measures come above the security measures of the AEO programme.

Combining all the conclusions mentioned above, one can ask what does the AEO programme add to all the other existing voluntary and mandatory security measures. Looking at the AEO requirements, my conclusion is that they do not have any additional value, because most of the time large enterprises concerned already have implemented all the AEO requirements, especially as far as sea ports or airports are concerned. The AEO requirements do not add anything new as far as the safety and security measures are concerned.

5 AEO in practice (desk and field research)

Data collection
The data presented and analysed in this chapter comes from a number of different sources. Some of the data was collected during (semi) structured interviews with Dutch Customs officers working on different levels and fulfilling different roles in different regions of the Netherlands. A survey is used which is conducted among the so far certified enterprises. To research the quality of the AEO audits a statistical sample was used, taken from the population of all AEO- F and –S- enterprises in the Netherlands. The enterprises in the statistical sample were subject of a case study to study the quality of the audit. The data used to audit the quality of the AEO audits in the Netherlands, came from the internal customs database, which is called Client Relation Management system (KRM). The supervision supporting programme (TOP), where the AEO audit data and relevant documents are stored, was also used. The data concerning the number of safety violations, collected by the internal database of the Dutch Customs, called Customs Fraud database (DFB), was used as well.

5.1 The quality of the issuing process

The coordination

The coordination of the AEO process starts with the national AEO coordinator. The role of the national coordinator includes the following tasks:

- Assurance of the policy and position of the AEO process of Dutch Customs;
- Performing the role of the national AEO contact person during network meetings in Brussels (DG TAXUD)[91];
- Performing the role of the national AEO contact person for business;
- Performing the role of the national AEO contact person for other enforcement government agency's;
- Performing the role of the national AEO coordinator of the AEO process in cooperation with 8 regional AEO coordinators AEO and the National Centre AEO (hereafter: LCAEO) during the meetings;
- Information exchange concerning AEO developments;
- Expertise concerning the AEO process;
- Supporting the LCAEO with regard to complex requests and contact with other EU Member States.

As said before, the AEO Guidelines are not legally binding and based on "open norms", that is why a possibility exist that member states could interpret the guidelines differently. For that reason, there are periodic meetings of the national coordinators of the member states and the AEO experts from DG TAXUD on a EU level. The meetings are organised in Brussels. On national level there are periodic meetings of the regional AEO coordinators. At a regional level, the regional coordinators have periodic meetings with the AEO auditors. The coordination at the Customs region starts with the regional AEO coordinator (8). The role of regional AEO coordinator includes the following tasks:

- Performing the role of the regional AEO contact person during national network meetings;
- Performing the role of the regional AEO contact person for business;
- Performing the role of the regional AEO contact person for LCAEO;
- Performing the role of the regional coordinator of the AEO process in cooperation with the AEO auditors during regional meetings;
- Information exchange concerning AEO developments;
- Expertise concerning the AEO process;
- Receiving the AEO applications from the LCAEO and spreading them among the AEO auditors;
- Receiving the results of AEO audits from the AEO auditors and checking the quality of the audit;
- Sending the results of AEO audits back to the LCAEO;

---

[91] *DG TAXUD = The taxation and Customs Union General Directorate General*

- Supporting the AEO auditors.

LCAEO

In the Netherlands, every AEO application must be submitted to the National Centre AEO (hereafter: LCAEO) which is located in Rotterdam. The role of this centre includes the following tasks:

- Receiving requests for the AEO Status. The administration of the LCEAO allocates the electronically received AEO applications to an officer who examines the request on formal requirements and completeness. After the acceptance, the application is processed and logged in electronic system created solely for this purposes "TREND" and "EOS" (European AEO database so Member States can respond to the request). Every request must fulfil the formal requirements.
- If the formal requirements have been fulfilled and the request has been approved, the LCAEO sends an e- mail messages to the relevant stakeholders mentioned below, with a request of a notification if the stakeholders object to granting of the AEO certificate to the applicant:
  - The Customs Client Manager of the applicant;
  - The Customs region AEO coordinators;
  - Tax investigation and intelligence service (FIOD);
  - Ministry of Transport and Water Management Inspectorate (IVW);
  - Ministry of Healthcare Inspectorate (IGZ)
- If after 2 weeks no response is received from the other government partners, the Customs assumes there are no issues of importance. After the application has been accepted, the audit concerning the procedure of granting of the AEO certificate, begins. If necessary, the request is first reported to the Customs authorities of the other Member States.
  > Note: there are no specific contact persons on the side of the stakeholders. The e-mail is sent to the provided e-mail address, which often is an info desk. In almost every case there is a response, but if no response is received there is no action taken by the LCAEO to check if the e- mail has been received in good order and if the e- mail has been handled by the right person. The stakeholders are expected to have all the relevant knowledge of the AEO regulations.
- Sending the AEO request to the regional Custom offices via de regional AEO coordinator;
- Receiving and processing the results of the AEO audit when completed;
- Screening whether the applicant has a criminal record. This screening is carried out by consulting several systems[92] but there is no screening on the applicant by the systems of the national police, the system of the national information and security service (AIVD) and the system of the national coordinator of terrorism.
- A first assessment whether the enterprise concerned is threaten by or already involved in a bankruptcy procedure. The National Centre has systems to consult this data.

The Customs authority audits the AEO request in compliance with the Articles 38 and 39 of the UCC and pursuant to Article 40 UCC, article 24 till 35 (EU) 2015/2446 of the European Parliament and of the Council of 28 July 2015 to the accomplishment of the Regulation (EU) nr. 952/2013 of the European Parliament and of the Council of 9 October 2013 the Delegated acts (hereafter : DA).

The request

The AEO certificate is requested in the Member State where the main administration is kept and where at least part of the activities is performed, or in the Member State where the applicant's main digital administration is accessible, where at least part of the activities is performed and the general logistical management activities take place.

It may occur that an application should be addressed to and processed by another Member State even if an enterprise is located in Netherlands. This could be the case with large multinationals that have many branches worldwide. The Member State will be asked to be aware of our national non-fiscal legislation.

---

[92] *digital client profile, DFB, DIAS, MAB, POSS, FIOD, CDIU, COKZ, NVWA, IL en T, KMAR, Tax authority.*

Close cooperation between the Member States is therefore necessary. This cooperation takes place in the AEO database, which is an electronic information and communication system, set up in consultation between the European Commission and the Customs authorities. It is used for the exchange of information and communication processes between the European Customs authorities and for the provision of information to the European Commission and the economic operators. The European Commission and the Customs authorities have access to this system and use it to store the following information: the electronically transmitted data of the applications; the AEO certificates and, where applicable, modifications and withdrawals of licences and suspensions of the status of authorised economic operator; any other relevant information. About 1 time per 2 months an AEO Network Meeting is organized in Brussels. The 28 Member States come together to discuss important AEO items. The Netherlands is represented there by the National AEO Coordinator.

Self- assessment

The first step towards an AEO certificate is filling in the AEO self-assessment tool in line with annex two of the AEO guidelines. The AEO self-assessment tool has been created in consultation with the interagency logistics organisations such as the EVO and VNO. The self-assessment is the basis on which the enterprise in question must assess its own organization. The core of the story is that the enterprise should examine itself regarding customs and security risks and should minimize these risks in order to get a positive response after filling the application. However, hereby the enterprise uses the ' open standards ' of the AEO Guidelines. The standards contain no concrete details of what is required, but only a frame. An advantage is that enterprises have some discretion in the implementation of the standards. A disadvantage is that achieving common standards can be undermined by allowing different interpretations of these ' free ' standards.

The self-assessment tool is seen as a first input for determining the risk areas and the hedging of risks, by assessing and managing measures to assign a score to the level of internal inspection.

Following the self-assessment, the following scores could be assigned:

0: no management measures applied
1: the internal inspection of business processes is ad hoc and disorganized
2: The internal inspection of business processes has a distinct pattern
3: The internal inspection of business processes is described and known
4: internal business processes are monitored and evaluated
5: internal inspections are integrated into business processes and are constantly evaluated

(The information concerning the scores given above is relevant for the AEO audits performed in the Netherlands until May the 1st 2016.)

Screening:

The applicant needs to subject staff to safety investigations regarding security sensitive functions, as far as the law permits. From interviews, it appears that the staff of an enterprise is not screened by Customs, the screening is limited to the applicant of the AEO certificate. Because of privacy issues the staff is not screened. In case of a suspicion of the employee, the enterprise is expected to use its own inspection and detection methods and in this manner the risks are being hedged. The enterprise can ask its employees for a 'statement of good behaviour' issued by a local council which can assess criminal records data. However, if the enterprise chooses not to do it, it is not a reason to reject an AEO status application. From the Customs point of view it is not mandatory, it remains the responsibility of enterprise to screen its own personnel.

Note: The research of the WODC "organised crime in Netherlands", by author Mr V.d Bunt, mentions a number of professions that give opportunity to criminal activities. Mr V.d Bunt names occupations that are related to mobility, transport and logistics. In most cases it appears that organised crime, have a relation to (smuggling) drugs, (smuggling) weapons and to illegal cross-border transactions. With the above science, I think it is a large risk not to submit the staff to a safety investigation. Beside of this risk, it is very important to know if an employee is subject to criminal investigation, in order not to disrupt ongoing investigations, and, of course, because it is of great importance while issuing the AEO status.

Cooperation

From interviews, it appears that the only form of cooperation is an e- mail message which is sent to the (security) partners. This message is sent to a PO box address with the question whether the security partners have additional information about the applicant. If no reply is received within two weeks, it is assumed that the partners have no additional information and have no objection to granting of the AEO status to the applicant. No contact persons are appointed by the partners who are responsible for handling of the AEO e-mail enquiries and, no check is done by Customs when no reply is received whether the e-mail was received by the partner.

One of the main reasons for implementing the AEO certificate programme was the battle against terrorism and to making the supply chain safer. The public authority coordinating the battle against terrorism and the cooperation between all authorities is the National Coordinator against terrorism (NCTB)[93]. However, the Customs organization does not contact the NCTB when an AEO status application is received. Also, during the implementation of the AEO certificate there has been no consultation with the NCTB (National Terrorism Combat Coordinator) or AIVD (General Intelligence and security service). I have contacted the NCTB asking why the NCTB was not involved during the implementation of the AEO program, and, from Drs. E. Messchaert, I have received the following answer.

"The topic to which you refer, lies entirely in the field of customs. Customs is one of the organizations who own an independent responsibility in the field of the fight against terrorism."

It is remarkable that important public services such as police and the NCTB are not consulted. If an organization like the police is not consulted, customs is never aware of the fact a police investigation is going on concerning an AEO applicant or one of its staff members. The risk exists that an AEO certificate can be issued while the enterprise concerned is under a criminal investigation.

Monitoring

The identification of risks is an ongoing process that must be structured and must consist of regular repetitions of a continuous screening of for example, legislation, design of procedures, guidelines for the selection of staff.[94] The holder of the AEO status should continue earning the valid trust which was there at the time of the issuance of the AEO status. The holder has a responsibility to monitor all the safety and security procedures. If a Customs check shows that the trust is violated, it will lead to a reassessment of the operational test of the AEO criteria and, if necessary, to a withdrawal or suspension of the AEO status by the customs authority.

The legislation clearly gives a framework regarding the supervision of the AEO enterprises. The Dutch Customs defines the following as monitoring:

- Monitoring shall ensure that the internal inspection within an organization remains effective;
- Monitoring ensures that abnormalities are detected before they can lead to threats to the objectives;
- Monitoring notes that the internal inspections work as intended and are adjusted where necessary.

The audit regarding the issuing of the AEO status focuses on the existence and the design of the administrative organisation and internal inspections. The audit of the monitoring focuses on the operation of the administrative organisation and internal inspections. The Dutch Customs used to apply a two way strategy to ascertain that the AEO status holders did apply the AEO monitoring.

---

[93] *www.nctb.nl*
[94] *Risicomanagement Vierde druk jaar 2008 auteur P.F. Claes*

The desk audit

Every year all enterprises with the AEO status were subject to a so called "desk audit" This test was based on a self-assessment monitoring form. The enterprise had to fill in a self-assessment questionnaire which was reviewed by their Customs client manager. Based on this self-assessment and the available internal- and external information, the Customs client manager decided if the enterprise still met the AEO criteria or if a reassessment of the AEO status was necessary by implementing a so called "field audit".

The field audit

The field audit is a more extensive audit compared to the desk audit. Based on risks all the AEO criteria are tested during the field test. Reasons for the field audit were:

- – Results of the desk audit;
- – Cyclic audit once every five years;
- – Intermediate risk signals.

The field audit consisted of additional work to determine if the inspection and monitoring system of the enterprise leads to reliable results. The field test audit consisted of:

- – Procedure audits;
- – Interviews;
- – Observations on site;
- – Rating analysis;
- – Internal links;
- – Financial solvency inquiry.

The field audit is a more extensive audit compared to the desk audit. Based on risks all the AEO

During to the implementation of the Union Customs Code in 2016 the system describe above has been changed. The desk audits do not take place anymore. The only remaining form of an AEO audit after the AEO status has been granted, is a field audit, for which there can be two reasons:
- – Cyclic audit once every <u>three</u> years;
- – Intermediate risk signals.

5.2   The quality of the AEO audit

The Auditors

The AEO Auditors are highly educated customs officers such as EDP (Electronic Data Processing) Auditors, accountants, administrative auditors and customs client managers.

Most of the interviewed auditors did follow a full high level internal customs course, some of them followed a shorter internal customs course, these auditors are trained "on the job".

Based on the interviews the AEO training which the AEO auditors have followed differs from each auditor, some auditors have followed a full AEO education which contains 2,5 months and 2 till 3 days in a week, some auditors did follow a AEO training which contains 7 days, some of the auditors especially the new auditors from of the year 2012, did not follow any AEO training. Part of this AEO training includes a security / safety training provided by the Royal Military Police lasting one day. The component of 'safety' is based on the "guide security scan". The "guide security scan" is a tour through the whole organization, regarding security risks. Although the national AEO coordinator insist that every auditor takes part in the AEO training, it appears that some AEO auditors did not follow an AEO training, nor the security training. It seems like the AEO training including the security training was only given to selective customs officers, at the moment the AEO training and the security training are not available, al new auditors are trained "at the job". Due to the

shortage of Customs officers and the change of regulatory based to system based supervision, custom officers without the needed knowledge are now carrying out AEO audits.

The national AEO coordinator states that a supply chain training forms a part of the AEO training, although one of the AEO auditors respondents wondered why this knowledge is necessary, he stated that the AEO is just one link in the chain who is obliged to inspect his trading partners on reliability. He did not know what the definition of supply chain security was. The other respondents said that they had enough knowledge about supply chain security, but one of them wondered if this was the case with the other AEO auditors.

Most of the AEO auditors have an administrative and/or financial background and at least some experience with administrative customs audits. Some of them have no experience in such audits, however they can always count on colleagues with such experience.

Audit of the criteria

According to the respondents, the Customs auditors always visit the enterprise, on average twice. The first enterprise visit focuses mainly on the management of the enterprise: on the incentives and being ' in control'. Most of the time the enterprise employs a ' Customs consultant' with relevant AEO audit experience who is supposed to guide the enterprise through the AEO audit process.

The audit is based on trust based on the compliance of the enterprise in the past, and whether or not there have been violations. For three years prior to the application there should be no serious or repeated violations of the customs rules committed by:

- the applicant ;
- the person responsible for customs matters within the applicant enterprise, concerning customs matters;
- the legal representative of the applicant.

Outside of and within Europe the Dutch customs authorities are seen as one of the most efficient Customs organization. The Dutch customs has issued many customs simplifications to the business community in the Netherlands. Customs inspections are already minimal, the possibility exists that no violations are discovered, the trust is based on a minimum of supervision.

The AEO audit focuses on the design and existence of the administrative organization and internal inspections of the enterprise. Using the AEO Guidelines the enterprise comprises a procedure handbook with references to the relevant AEO Guidelines chapters. On the basis of this handbook the auditors make the decision of issuing the AEO status (a positive or a negative advice to the LCAEO). The AEO audit is does not focus on the operation of the procedures. It doesn't matter or the enterprise applies for an AEO-S- or an AEO- F-status, the auditors often make a tour through the premises of the enterprise to audit the security measures anyway.

Case Studies

The quality of the AEO audit by Dutch Customs is an important component which could result in more supply chain security regarding the AEO status. Part of this study is to research multiple AEO audits (case study's) to give the insight into the quality of the AEO audit. To come to a representative research a statistical sample is used**.**

The statistical sample was taken by the EDP auditor from Dutch Customs Schiphol Airport, J.R. van Duijnen RA CISA. The sample was taken from a population of 1143 enterprises which have the AEO-S- and AEO-F-status, with a confidence of 95, a upper error limit of 5% and an expected error rate of 0 %. The statistical sample resulted in a population of 60 enterprises with an AEO status.

The criteria on which the AEO audit is assessed are based on chapter 6 of the AEO Guidelines, the safety and security requirements. Because of the subject of this thesis the following key criteria have been selected:

- Did the auditor audited all the locations regarding the safety and security measures of the premises of the applicant?
- Was there already a safety certification/permit/approval by another public service for (civil aviation-transport, etc.) security purposes? Yes/No (6.1.8 of the AEO Guidelines);
- Did the AEO audit focus on the identity of the trading partners in order to ensure a secure supply chain? (6.10.1.of the AEO Guidelines) Yes/No;
- Did the AEO applicant had to implement additional safety and security measures on the recommendation of the AEO auditors?

The data is collected from the information in the internal database of the Dutch Customs which is called Client Relation Management (in Dutch: Klant Relatie Management, hereafter: KRM) and in the Supervision Supporting Programme (in Dutch Toezicht Ondersteunings Programma, hereafter: TOP). All the reports concerning past administrative audits and correspondence with the enterprise are recorded in KRM. In TOP, all dossiers of the past administrative inspections are registered.

The results

- *Did the auditor audited all the locations of the premises of the applicant with regard to the safety and security measures?*

It transpired that in cases where the enterprise audited had several warehouse locations, during eleven of the assessed AEO audits not all the locations were physically audited by the AEO auditors, and, in one case a location was not visited at all.

- *Was there already a safety certification/permit/approval by another public service for (civil aviation-transport, etc.) security purposes? Yes/No (6.1.8 of the AEO guidelines);*

for the aim of this question was to find out if the AEO measures really added something to the safety and security level of the enterprise or were all the measures already in place. The answers to this question show that 22 enterprises were already in possession of a certificate with regard to security measures. Enterprises who are located at an airport or a seaport were in possession of a TAPA, ELA, known consigner, known shipper or International Ship and Port Facility Security Code, (hereafter ISPS) certification. This seems logical because the enterprises located there are obliged to be in possession of these certifications in line with the aviation and maritime law, as already explained in chapter 4.1 of this thesis.[95] Thirty eight (38) of the enterprises were not in possession of any (safety) certificate.

- *Did the AEO audit focused on the identity of the trading partners in order to ensure a secure supply chain? (6.10.1.of the AEO Guidelines).*

Knowing the AEO programme is based -on supply chain security, it is very important to know if the AEO auditor has paid enough attention to this requirement. The research shows that the auditors did not pay any attention to the safety and security identification of the trading partners in the supply chain in seventeen (17) of the AEO audits. In the other AEO audits the auditors paid attention to the identification of the trading partners, however, in most of those audits the attention was limited to the transporters of the goods in the supply chain. The case studies also show that the AEO applicants were not obliged to know if their trading partners had an AEO status. In most cases an internal screening, a contract such as a service level agreement or a safety and security declaration composed in accordance to with the AEO Guidelines was in place.

- *Did the AEO applicant had to implement additional safety and security measures on the recommendation of the AEO auditors?*

This question was asked to establish if the AEO requirements added any value to the already existing safety and security measures which the AEO applicant already had in place. The case study shows that fifty-four (54) of the AEO auditors did not have any recommendations for adjustment or extra safety and

---

[95] *Regulation (EG) nr. 2320/2002 and Regulation (EG) nr. 622/2003*

security measures in addition to the measures already put in place by the AEO applicant. In five (5) of the AEO audits the auditor had to recommend adjustments or extra measures in order to meet the AEO criteria.

Overall findings

During the cases study, I have established that the AEO auditors were mainly focused on the physical security measures concerning the premises of the AEO applicant. Overall there was some attention to the safety and security requirements to identify their trading partners. But this attention was limited to the transporters of the goods, in none of the cases an AEO status was required of the trading partners. Most AEO applicants already had the required AEO safety and security measures in place before applying for the AEO status.

What was remarkable, was that in some cases the applicant did not meet all the required AEO standards. When the applicant assessed himself with a score of 2 in the AEO self-assessment, this was insufficient to grant the AEO status. What happened was, that the AEO auditor focussed on this score and asked the applicant to reassess the score and change it to a score of 3, so the AEO status could be granted. It seems Customs is very eager to grant the AEO status, even though the applicant does not meet all the AEO criteria.

5.3 Security incidents AEO holders

For the purpose of this chapter we define security as described in chapter 1.9 of this thesis:

"Transport security can cover everything from terrorist attacks to prevention of vandalism and graffiti. Transport security is a sensitive issue that affects all transport users and transport providers. It is a basic right to be able to travel without fear of being a victim of some form of attack. Yet, it is also important that security is not so intrusive as to make travel an unpleasant experience. As rare as an terrorist attack might be, the risk remains, and exposes the vulnerabilities of the entire transport supply chain. Other forms of security threats to transport are more common: crimes committed on the premises of transport operators (like a break-in), stowaways, robbery of valuable cargo in transit, or piracy on the high seas." [96]

Following a request of the Dutch Customs Mrs. V. Blasius, a consultant in logistics and supply chain at Top Desk, carried out in May 2014, a survey among all the 1345 AEO holders in the Netherlands. Goal of this research was to gain more knowledge of how satisfied business was with having gained an AEO status. The research focused on the motivation of enterprises to apply for the AEO status and how they experienced the facilities which were offered and the costs associated with the AEO status.

A survey was used to collect the data which was sent to the AEO certified enterprises, using an online survey platform ' Thesis Tools ' as a measuring instrument. The questions from the survey were formulated on the basis of an pre-research of the relevant AEO literature and interviews with employees and managers of enterprises involved in the AEO application process or in customs affairs.

The entire questionnaire consists of questions on a five-point scale (also called Likert scale), with the exception of one question. For this specific question, the respondents were given the opportunity to give a response in their own way. They were asked about their main motive for obtaining and retaining the AEO status. Within this research the goal was to achieve a response rate of 25%. The goal was achieved: a total of 442 respondents completed the survey, which indicated a response of more than 44%. The size of the enterprises of the respondents, ranged from 0-50 to over 500 employees, with more than 87 percent of enterprises with the size of less than 500 employees.

Deviation of the research population

The different roles that are represented within the logistics chain, are: importers, exporters, custom agents, freight forwarders, carriers, shipbrokers, ware house keepers. The majority of the respondents are

---

[96] *https://ec.europa.eu/transport/themes/security_en*

warehouse keepers (25.6%), with the smallest group of respondents, freight forwarders, representing less than 5% of the research population.

Another criterion on which respondents were subdivided, was based on the year of issuing of the certificate. In the year of 2012 there has been a peak of the number of issued licences compared to the other years in which the AEO certificate were issued.
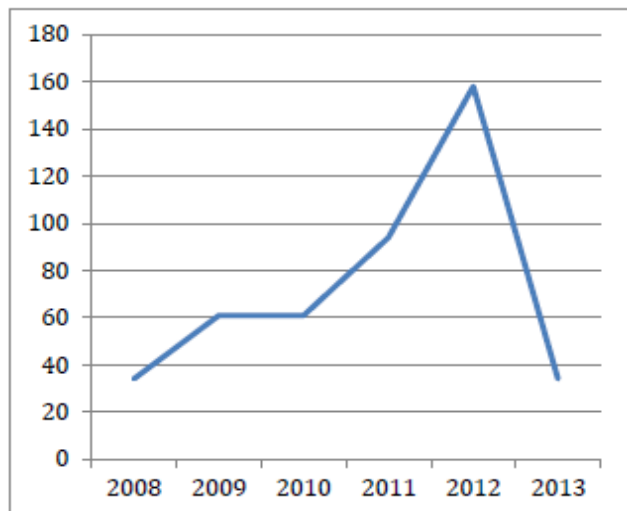

Fig 12: Gradient of number of issued AEO status per year (source survey V. Blasius)

The main research question which was leading, was: "What are the main drivers for enterprises to apply for the AEO status?

The research question was divided into the following questions:

Are enterprises motivated to maintain the AEO status by external factors, such as pressure from the market?

What are the benefits and costs that go along with the AEO status?

The research questions were formulated as the following hypotheses:

1 Enterprises are more motivated to maintain the AEO status based on the demand from the market.
2 The role within the logistics chain determined what the experience is of enterprises on the given facilities.
3 On the basis of their experience with the AEO certificate, enterprises want to retain their AEO status.

The results

The respondents could choose their answers based on options, which ranged from 1 to 5: (1) completely disagree – (2) disagree (3) neutral – (4) agree – (5) completely agree.

The respondents were asked to indicate to which extent the following factors motivated them to obtain the AEO status.

- Preservation of customs permits and simplified customs processes;
- Improving image as a reliable business partner;
- Improving communication with customs;
- Increasing the attraction for new global markets/customers;

- Improving the internal inspection of processes;
- Increasing efficiency;
- Requirement of trading partners in the logistics chain;
- Requirement of customers.

Regarding hypotheses 1 the results show that the main reason or motivation for the maintaining of the AEO status was
' the preservation of customs simplification and customs licences '.

- 37% of the respondents qualified this as an extremely important reason (5 scale);
- 50% of the respondents qualified this is as an important reason (4 scale).

The second main reason was to ' improve the image as a reliable business partner'.
- 57% of respondents agree (4);
- 24% of respondents completely agree (5).

The reasons given with the lowest scores are: "requirement of trading partners in the supply chain" and "requirement of customers".

Hypothesis 2 "the role within the logistics chain determines the experience of enterprises on the given AEO facilities":

Respondents were asked about their experience of and the extent to which they are satisfied with the facilities offered by having an AEO status. Having the AEO status among other things may contribute to less security related incidents which is relevant for this thesis.
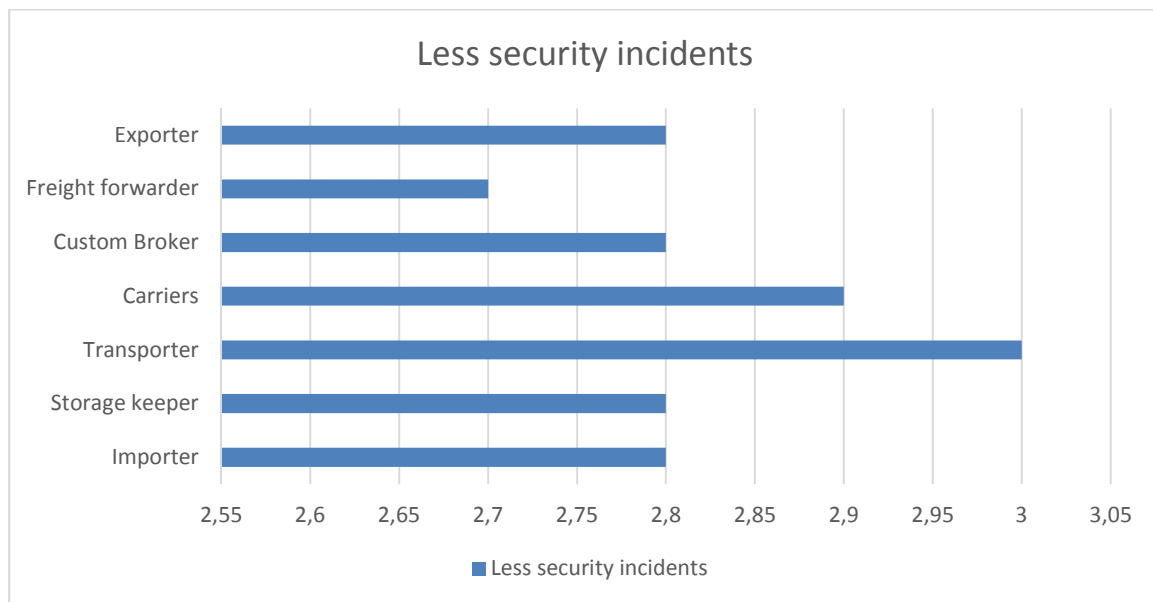
Figure 13: diagram safety and security incidents AEO holders (source survey V. Blasius)

The highest score for 'less security incidents' is given by transporters, the lowest score is given by freight forwarders. Based on the results, it can be stated that transporters agree that having an AEO certificate contributes to the advantage of 'less security incidents. By contrast, freight forwarders are somewhat neutral about the positive influence of an AEO status and of the benefit of 'less security incidents'. The difference between the scores of the various parties is small, with a difference between the highest and lowest score equal to 0.19. In line with the AEO requirements, the AEO holder should maintain a database of security incidents. The intention was to do a research into these databases before and after the AEO status, but this seems t practically impossible, because of the simple fact that most of the AEO status holders did not have an incident registration before obtaining the AEO status, so it was impossible to compare.

5.4   Number of safety incidents

For the purpose of this chapter we define safety as described in chapter 1.9 of this thesis. The concept of "safety" is interpreted in a broad sense, it covers both the threats to public safety (criminal intentions, the danger of terrorist or other attacks) involving goods traffic (for example, smuggling of, or trade in arms, biological products or explosives prohibited), as the threats to society because of the trade in goods hazardous to health, the environment and consumers. These areas are covered by the so called non-fiscal tasks of Customs (in Dutch VGEM tasks).

The data presented in this chapter comes from the register of all the violations and crime offences compiled by the Dutch Customs in a database which is named Customs Fraud Controversy (in Dutch: Douane Fraude bestrijding, DFB). The database was searched to ascertain if the Sixty (60)enterprises which were drawn out of all the AEO holders by a statistical sample, were registered there because of safety violations. The data was collected was during the period 2010 and 2017.

Violation	2010	2011	2012	2013	2014	2015	2016	2017	Total
Counterfeit	3	57	119	49	1		13	70	312
Medicines		1	1						2
Dangerous goods transport						2	4		6
Drugs				10	6				16
Nuclear energy law	2	1	1	1					5
Agriculture law	1								1
Sanction law	1	7							8
Weapons and Munition			8						8
Strategic goods					1			1	2
Waste							5		5

Figure 14: overview number of violations AEO holders
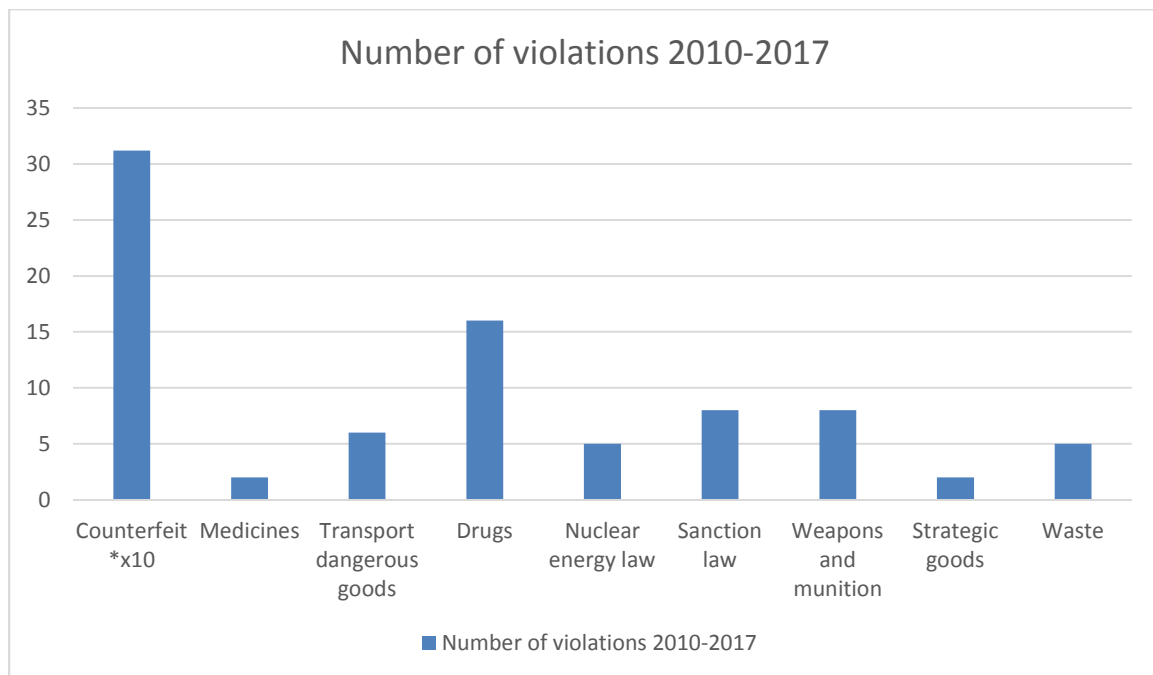
Figure 15: overview kind of violations AEO holders

I have compared the number of violations to the date before the date of granting of the AEO status and after granting of the AEO status. The comparison gives the following figure:
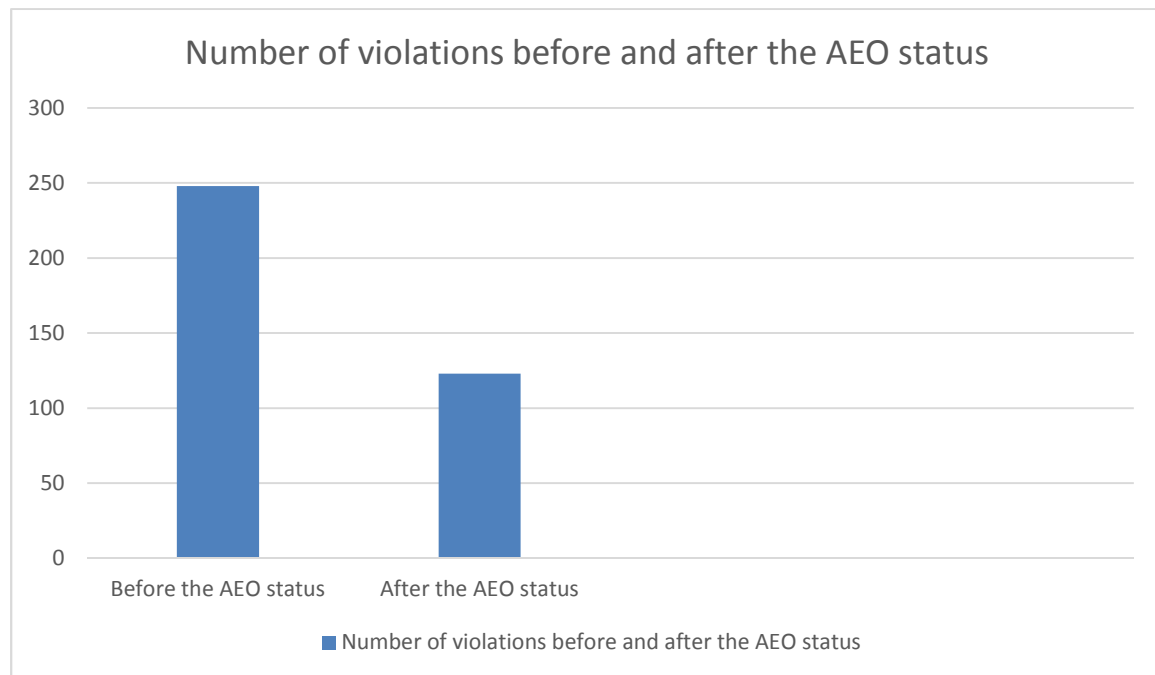
Figure 16: overview kind of violations AEO holders before and after the AEO status

5.5   The number of AEO enterprises and mutual recognition

At the moment (February 2017) a total of 1517 enterprises are in possession of the AEO status, of which 1148 enterprises are in possession of the AEO status AEO-S- or an AEO- F.[97] The size of the enterprises, ranges from 0-50 to more than 500 employees. With more than 87 percent of the enterprises with a size of less than 500 employees. From all the AEO certified enterprises: 70,8 percent have an AEO-F certificate, 26,5 % have an AEO-C certificate and 2,7 % of the AEO-S certificate.[98]

---

[97]http://ec.europa.eu/taxation_customs/dds2/eos/aeo_consultation.jsp?Lang=en&holderName=&aeoCountry=NL
&certificatesTypes=AEOF&certificatesTypes=AEOS&Expand=true&offset=1&showRecordsCount=1
[98] *A survey among all 1345 AEO holders in the Netherlands, Mrs V. Blasius, consultant in logistics and supply chain at Top Desk, carried out in May 2014,*

Type of AEO	Number	Percentage
AEO-S-	12	2,7
AEO-F-	313	70,8
AEO-C-	117	26,5
Total	442	100
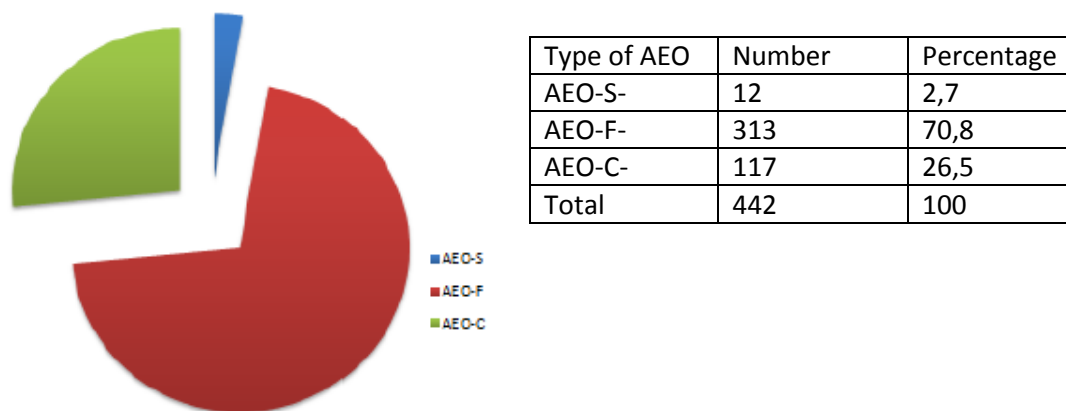
Figure 14: Overview number of AEO holders

The different roles that are represented within the logistics chain, are: importers, exporters, freight forwarder customs brokers, carriers, warehouses keepers and shippers.
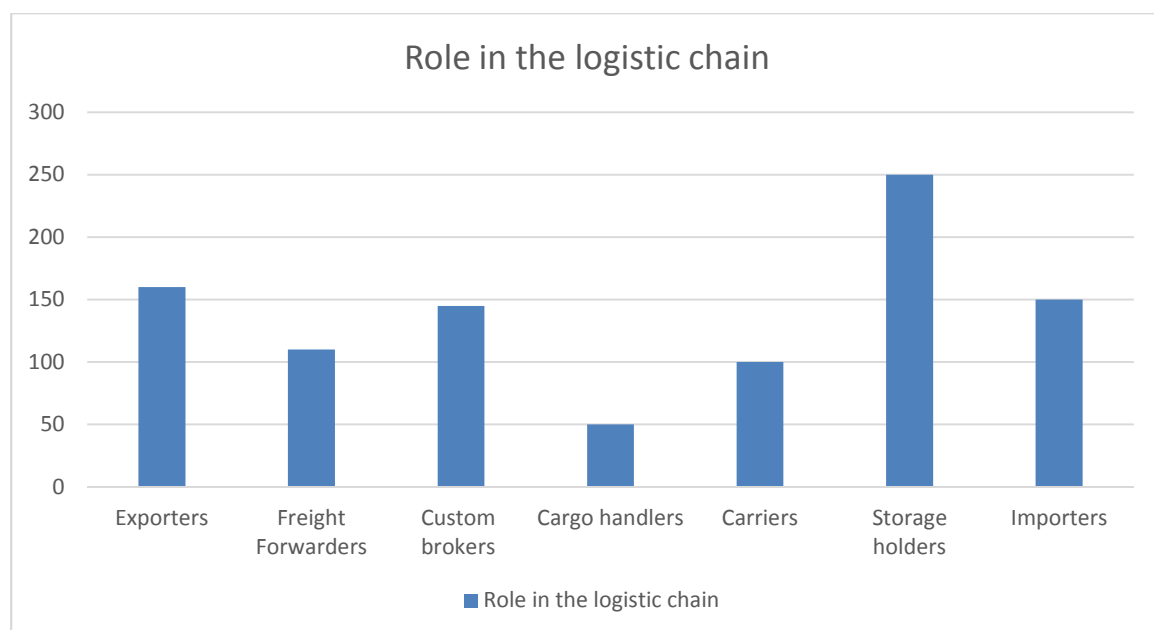
Figure 15: the roles in the logistic chain of the AEO holders

Figure 15 shows the presence of the number of the AEO holders based on their role in the logistics chain. The majority are storage holders (25.6%), the smallest group are cargo handlers represented with less than 5% of the total of the AEO holders. The total number of the enterprises with different roles in the figure differs from the total number of AEO holders. This is connected to the fact, that enterprises sometimes have multiple roles in the logistic chain and the data comes from the survey conducted in the year 2014.

To illustrate the situation, I would like to present some statistics of the current number of enterprises active in the logistics sector. [99]

---

[99] *www.cbs.nl, internationalisation monitor 2016 4de quarter CBS page 13, CBS= Central Bureau of statistics of the Netherlands*

Number of companies in the logistic sector

Figure 16: number of enterprises in the logistic sector in the Netherlands based on their role in the logistics chain currently

- Importers 255.700,
- Transporters with storage 42.865
- Storage holders: 9.945
- Transporters by land 20 695
- Exporters (2015): 98.400
- Custom brokers (2012): 2555

Mutual Recognition (hereafter MRA) of AEOs is a key element of the success of the AEO programme in strengthening supply chain security and end-to-end security of supply chains and multiplying the benefits for traders.

By mutual recognition of AEOs two customs administrations agree to:

- recognise the AEO authorisation issued under the other programme and
- provide reciprocal benefits to AEOs of the other programme.

The EU has concluded and implemented MRA of AEO programmes with Norway, Switzerland, Japan, Andorra, the US and China. Further negotiations are currently taking place or will be launched in the near future with the other most important trading partners. In addition, the EU is providing technical assistance to a number of countries to prepare them to set up AEO programmes.[100]

The specific benefits are described in each individual MRA, but in general the benefits include the following core elements:

- Fewer security and safety related inspections;
- Recognition of business partners during the application process;
- Priority treatment at customs clearance;
- Business continuity mechanism.

---

[100] *http://ec.europa.eu/taxation_customs/general-information-customs/customs-security/authorised-economic-operator-aeo/authorised-economic-operator-aeo_en#mutual*

5.6 Interim conclusion

The structure of the process of issuing the AEO status from the application until the granting of the status, is well organised. In my opinion, the gaps are present in the quality of the process of the AEO audit and in the number of AEO holders in the supply chain. The cooperation between the LCAEO and other government departments could be improved upon, because at the moment information is not shared with crucial governments departments like the police.

The safety and security knowledge of the AEO auditor is limited, some AEO auditors did follow an AEO course with a 1-day security training, but new AEO auditors did not follow an AEO course, nor the security training, which is in my opinion, insufficient. The AEO audit is based on the written procedures of the enterprise and does not take into account the operational part. In my opinion, the AEO audit could be more effective if the operational side was also a part of the audit. After all after granting the AEO status, it is very hard to suspend or to revoke it.

Using statistical sample of all the AEO audits conducted in the Netherlands (AEO –S- and –F- holders), I have audited the quality of the AEO audits. In most of the AEO audits the AEO applicant did not have to adjust their safety and security level even if, based on the self-assessment, the applicant had given themselves a score 2. This score was changed into a score 3 on recommendation of the Customs in order to reach the level of satisfactory for the AEO criteria.

The survey of Mrs. V. Blasius, a consultant in logistics and supply chain at Top Desk, carried out in May 2014, among all the 1345 AEO holders in the Netherlands, shows that the main reason for maintaining the AEO status is not to decrease the number of security incidents, but to keep using various Customs simplification procedures. In my opinion, it is a point of concern if it seems that the AEO holders are not that focused on the safety and security requirements in line with the AEO standards.

To measure the contribution of the AEO status in improving safety and security, I have investigated the 60 enterprises which were drawn from the population of all the AEO status holders by a statistical sample. I have searched the internal fraud database for the presence of safety violations committed by those enterprises. The data was collected in the period 2010 and 2017. This data shows less safety violations after granting of the AEO status than before granting of the AEO status. It seems that the AEO status has Contributed to a decrease in the number of safety and security violations of the AEO status holders.

The AEO concept aims to increase the safety and security of the whole supply chain but compared to the number of AEO holders S and F and the total number of enterprises in the logistic sector, the conclusion is that the number of enterprises with the AEO status is really the top of the iceberg. However I must remark it is possible the AEO holders are the larger enterprises and are responsible for the largest part of freight transport in the supply chain.

However custom authorities and governments are trying hard to obtain mutual recognition. With only a few parts of the world there is agreement to mutual recognition of the AEO status. To achieve Global mutual recognition is a long and complex mission.

6   Conclusions

6.1   literature Study

Legal framework
The threat of terrorism and the increase of globalization were the main reasons for a number of global and European security developments. In 2001 the United States started certifying enterprises with the Custom Trade Pact Against Terrorism (CTPAT). In 2005 the World Custom Organization developed a global framework: The Framework of standards to secure and facilitate global trade ". One of the reasons for the WCO to develop this Framework was that world trade is regarded as vulnerable to terrorist attacks and other forms of international crime, which might do the entire world economy great harm. (Kunio Mikurya) [101] The WCO framework should provide different Governments with a uniform method for developing safety &security legislation. The European Union could not afford to stay behind and in 2007 has implemented the "Authorised Economic Operator" (AEO). The AEO aims to increase the safety & security of goods entering or leaving the European Union and facilitating business more efficiently.

Based on a literature study, I have concluded that the legislation regarding the AEO has an open character. The open character, general requirements and criteria which are formulated in the AEO legislation could give enterprises and governments room for interpretation, even though the use of the AEO Guidelines is not a legal obligation.[102] As a result, a possibility of legal inequality is created. This is further enhanced by the fact that important objectives like "safety and "security" are not legally defined. In my opinion, it is important to define the subject of "safety & security" to ensure the uniform application of the AEO status. Member States could interpret the definitions in different ways. Based on interviews, it appears that the Netherlands has interpreted the definition of security as being the "bombs and grenades", so the "security" of goods. The European Commission has defined "safety" and "security" more broadly. The communications of the European Commission are not only focused on criminal or terrorist activity, illegal trafficking in firearms, explosives or organic products, but also on the dangers that can be caused by goods in the field of health and the environment, and the safety of consumers.

As a result of economic interest, the risk for a smooth implementation of the AEO Guidelines by governments within the European Union, increases. As we know sea- and airports of different Member States compete with each other for custom and naturally they all want to be the largest. Take for example the competition between the port of Rotterdam and the port of Antwerp, where enterprises are constantly exploring new way to move their goods as soon as possible without cumbersome formalities. This is the reason for transporting their goods via Rotterdam instead of Antwerp or another port in a different Member State. Despite being a member of the European Union, the economic interests of the individual Member States come first. The result of this could be a kind of "false sense of security". The AEO status indicates to enterprises and other governments that the AEO enterprises and their supply chains are "safe", but in reality, these enterprises are only audited on the existence of the administrative procedures, not the operation of these procedures, and, once the AEO Status is granted, it is hard to suspend or to revoke it. One of the results of the case study was a higher score estimation by the AEO auditors which were "eager" to grant the AEO status, while the applicant assessed the score lower (score 2, not sufficient to obtain the AEO status)..

According to one of the legal requirements, to obtain the AEO status the applicant must have not committed any serious infringement or repeated infringements of customs legislation and taxation rules and have had no record of serious criminal offences relating to their economic activity over the last three years, where applicable the employee in charge of the applicant's customs matters.[103] These legal requirements provide a room for discussion because if an applicant has committed a violation, the Member State may grant the AEO status depending on the gravity of the violation. I would like to point out that penal provisions are

---

[101] *Kunio Mikuriya is the Secretary General of the World Customs Organization (WCO).*
[102] *AEO Guidelines TAXUD/B2/047/2011 - Rev.6 page 2*
[103] *Article 39 Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013 laying down the Union Customs Code (UCC).*

regulated at national level, which means that the same offense concerning for example drugs, can weigh less heavily in the Netherlands than in another Member States such as for example France.

Another point I want to remark is that the Netherlands presents itself as a distribution country. The Netherlands is an important link in the international trade and logistics. More than a quarter of all goods with a value of more than 200 billion euro (2016), which are destined for the EU Member States, arrives on Dutch territory, more than 500 million consumers have to rely on the supply from the territory of the Netherlands. Nowhere in Europe are as so many containers loaded and unloaded on the docks of Rotterdam and on the platforms of Schiphol is more and more air cargo is processed. [104] As a consequence the Netherlands has already given many customs simplifications to the business community. So before the AEO program was introduced, the Dutch logistic enterprises already had the benefits of Customs simplifications and less Customs inspections.

One of the AEO criteria is that the enterprise must have the absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant.[105] Of course the above mentioned given customs simplifications for business is very efficient, but this efficiency of the Dutch Customs authority can result in, infringements of customs legislation and taxation rules and criminal offences not to be discovered. Because of this the chance of a non-compliant enterprise obtaining the AEO status is present. Regarding granting the AEO status, the basis of discovering violations by the Dutch Customs organization is very weak in my opinion.

The security challenges
The AEO programme aims to secure the entire supply chain from a manufacturer to a consumer. According to the legislation the AEO holder must identify the safety & security risks of its trading partners. This seems like an ambitious goal, especially in difficult economic times, when enterprises want to buy and sell their goods all over the world, even if their partners are "not safe", but dealing with them means lower costs. This may not be the case for the larger enterprises, who are afraid of a possible damage to their image or a decline in quality of their goods. But for the smaller enterprises who also are eligible to apply for an AEO status, this could well be the case. This is just one example of the challenges business is facing in connection to a safe & secure supply chain. The interests of business seem to be contradictory to the interests of the Customs authorities. Custom authorities are also facing some serious challenges, they are expected to facilitate trade and, on the other hand, to protect the European Union from unsafe goods. Customs need to adjust and progress from the rules based supervision to the system based supervision, from fiscal inspections to more administrative inspections based on supply chain security procedures.

The safety and security voluntary and mandatory initiatives
A comparison of all safety and security initiatives shows high similarity with the AEO programme requirements, for example when a AEO applicant already is TAPA certified, all safety and security criteria are supposed to be fulfilled, but research shows that this is not exactly true.. At some point the TAPA certification differs from the AEO criteria. In the legislation, articles concerning the safety and security of incoming and outgoing goods already are implemented. Aviation and maritime law require a high level of safety and security measures similar to the AEO requirements. In my opinion, the AEO has less or no contribution to a safe and secure supply chain for enterprises who are part of the supply chain near a sea- or an airport, because they are obliged to maintain a high level of security in accordance with ther aviation and maritime law. The most to gain her is for other enterprises in the chain where the goods are (un)loaded inland for example for exporters, importers and transporters. I really don't see any contribution of AEO safety measures to a situation of a customs broker. A custom broker often does not see the goods, only declares them by order of an importer or exporter, and can't guarantee the integrity of the goods.

The efficiency and contribution of the AEO programme to the supply chain security depends on the number of AEO enterprises in the chain and on a mutual recognition by other similar AEO programmes. As explained in chapter 3.3.2, a chain is only as strong as its weakest link. *"In every chain of reasoning, the evidence of the last conclusion can be no greater than that of the weakest link of the chain, whatever may be the strength of the rest."[106]* I have concluded that most logistic enterprises in the Netherlands in possession of the AEO status are custom agents, freight forwarders, carriers, shipbrokers and warehouse keepers. The most important link in the chain, the exporter and the importer are less represented in in the supply chain. This seems logical, most of the time importers and exporters have no customs licences at all,

---

[104] *Annual report Customs 2016 page 2*
[105] *Article 39a Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013*
[106] *Thomas Reid's Essays on the Intellectual Powers of Man, 1786*

because they have outsourced their custom affairs to a custom broker. Hoping for every link in de supply chain to be in possession of the AEO status seems unrealistic, but in my opinion, this would be a major success factor. As long as this is not the case, the AEO status will have a minimal contribution to supply chain security.

6.2   Desk and field research

The application for an AEO status is received by the LCAEO in Rotterdam. At the LCAEO the formal requirements are reviewed, after this review the application is transferred to the regional Custom office where the enterprise is located for further treatment. The request is sent to the Customs client manager, the AEO coordinator and the AEO auditors. The client manager is expected to have understanding of the enterprise. In practice, the client manager is a Custom officer who is supposed to care for a hundred enterprises, and it is impossible to have knowledge of all these enterprises, only the large enterprises can get an individual attention.

The LCAEO informs the Covenant partners of the request of the enterprise applying for an AEO status by sending an e- mail with a request for additional information and a question concerning possible objections the partners may have in connection to granting the AEO status to the applicant. The email is sent to the "usual" partners of the Customs, interviews reveal that there are no contact persons appointed by other government agencies who can confirm the receipt of the e- mail. At the moment Customs does not contact the covenant partners to get a confirmation that the e-mail has been received and read. When no reaction is received by Customs, it is assumed there are no objections to issuing the AEO status. Other interviews show that key partners in the fight against crime and terrorism like the police and the NCTB are not approached and in practice there is little or no contact between the Customs and the consulted Covenant partners with respect to issuing the AEO status. I have concluded that information is not shared in a proper way, which could result in issuing of an AEO status to an enterprise who trades in goods which, for example, could be considered unsafe by the food and consumer product safety authority.

After an application for an AEO status an AEO audit into the organisation of the applicant takes place. The audit consists of meetings between the Customs auditors and the management of the enterprise. The AEO audit is usually carried out by two auditors, it turns out an audit on average lasts about 120 days, however the auditor visits last about three hours over a period of one or two days. The AEO auditors are mostly highly educated Customs officers, some of them are accountants or EDP auditors. With the implementation of the AEO in 2005 the Customs have launched an internal AEO training of 5 days specifically aimed at AEO auditing. During the 5 days of training one day was devoted to a safety & security training given by the Royal Military Police and based on the "Guide security scan". The auditors all have an administrative audit background (education and work experience), most auditors carry out administrative inspections and their jobs are not 100% dedicated to AEO audits.

Based on the interviews the AEO training which the AEO auditors have followed differs from each auditor, some auditors have followed a full AEO education which contains 2,5 months and 2 till 3 days in a week, some auditors did follow a AEO training which contains 7 days, some of the auditors especially the new auditors from of the year 2012, did not follow any AEO training. Part of this AEO training includes a security / safety training provided by the Royal Military Police lasting one day. I have concluded that the AEO auditors are highly educated Customs officers but they have no or little experience, nor education in the field of Safety and Security This is rather disturbing, because how can relevant risks can be recognised without sufficient knowledge.

The AEO audit is based exclusively on the presence of written administrative procedures and internal controls. The audit is not based on the actual operation of the procedures. A specific problem faced by the certification is that any inconsistency between paper and physical reality is insufficiently recognised (Sandholtz 2012, Christman 2006, W. 2001). The operation of the written procedures is audited after the AEO status has been granted, for example during an administrative inspection or by a field audit. If these inspections conclude that the written procedures did not work, the enterprise could face post clearance

recoveries and fines. The possibility exists that the AEO could be postponed or revoked, but because of the procedure it requires, it is hardly ever done. Postponing or revoking an AEO status means that the enterprise concerned cannot use their Customs simplifications anymore, which could lead to a major loss of profit and far reaching economic consequences. This is not the kind of publicity the Dutch Customs is looking for, the Customs needs to facilitate, not to create barriers. AEO auditors are careful not to reject an AEO application even if the AEO applicant gives themselves a score of 2 in the self-assessment; which score is insufficient to grant the AEO status. It is resolved by making appointments with the AEO applicant and changing the 2 into a 3. AEO auditors feel the pressure of granting the AEO status due to the fact that if the status is not granted, the enterprise in question cannot use their simplification anymore and this means a lot of more work for Customs as well. It seems like the AEO is used to bridge the gaps of the enforcement capacity of the Customs organization.

Screening

According to the AEO guidelines staff working in security sensitive positions must be subject to a screening procedure, in practice only the applicant is subject to a security screening by the LCAEO. This security screening is focused only on Customs and Tax related violations. The applicant is not screened by other crucial organizations like the police. This seems remarkable, because violations such as theft don't seem to matter and are not being discovered. It is the responsibility of the applicant to screen their own staff. In some audits a "certificate of good behaviour "(in Dutch : Verklaring omtrent het gedrag) is asked, but this depends on the auditor, and even when it is not submitted it is not a reason for refusing the AEO application.

The importance of the screening is underestimated because criminal organizations always get help from inside the organization. For example, staff can be contacted by criminal organizations to give an entry pass in order to smuggle drugs or other illegal goods. Many crimes have something to do with work or a job held in the targeted organisation, most organised crime is so called 'transit crime' (Kabwe and others, 2002). In a case of hashish or cocaine smuggling professional drivers and/or transport enterprises are important in facilitating the drug trafficking.

A variety of studies show that practitioners of such ' facility ' occupations are likely to get involved in criminal transactions (N. & Lankhorst, 2008). They have something to offer to criminals, such as: not noticing things, a stamp, a transport of money or goods, a money-laundering construction, and so on. These persons are, however, not always consciously culpable of the criminal activities involved. Often employees are being seduced by criminal organisations, for borrowing a pass to the terminal.

The underworld (the part of society consisting of criminal organizations and activities) and the 'upperworld' (the respectable law-abiding part of society —contrasted with underworld) intertwine more and more.

"There is talk of intertwining between lower and upper world when at the development of criminal activities, the legal world (private and/or public) is used, and there is a certain relationship or connection between the two. The upper world may or may not conscious, forced or culpable criminal activities."[107]

It would be rather naïve to think that only employees are involved in criminal activities. There are several actors from the 'upperworld', also known as facilitators or enablers, involved in complex criminal activities within the organised crime: natural persons, persons from several occupational groups, but also public actors, such as the Government and officials. In addition, the (local) legal infrastructure can be intertwined with organized crime: criminal partnerships using locations, buildings, businesses and the logistic flows of goods, passengers and money for their criminal activities.

---

[107] *Regional information and expertise centre ((RIEC) South-West Netherlands in cooperation with the Public Ministry. Marinke te Pest (RIEC South West Netherlands), Susanne Nieuwdorp (PM), Björn Smeets (PM), Evelyne van Wijnen (PM)*

I would like to point out that screening of staff and management of the applicant is not a miracle solution, but it is in my opinion, at the moment insufficient and must be improved.

Case studies

On the bases of case studies logistic most enterprises already had safety and security measures in place. This necessity comes from the enterprise itself and does not need to be imposed by the Government. Meeting the AEO standard does not add anything for these enterprises. If logistic enterprises already are certified for ISO9001 and/or TAPA, they will meet the AEO standard without too much problems and adjustments.

Number of violations

The comparison of the number of safety violations by sixty 60 AEO enterprises show a decrease of violations. The question rises what causes this decrease. Is it because of the AEO enterprises which have become more compliant, or is it because the Dutch Customs has decreased the number of their inspections because of granting of the AEO status? This is an answer I cannot give, and this is difficult to measure.

Number of AEO holders and mutual recognition

As said before the AEO is based on supply chain security, and it is the most effective when the whole supply chain is in possess of the AEO status. At the moment in the Netherlands 1343 enterprises have the AEO status. Comparing the number of AEO holders to the number of logistic enterprises which are active in the Netherlands. For example: 255.288 importers against 150 importers having the AEO status, with the remark that AEO holders are the larger enterprises and are responsible for the largest part of transporting goods in the supply chain.

But still the principle of the AEO offers only perspective if most parts of the chain are in possess of the AEO status. If this is not the case, the AEO has no to little effect. Still a few enterprises with the AEO status is not enough to speak of a safe and secure supply chain, and the chain is as strong as its weakest link.[108]

Although there is mutual recognition of the AEO status with some parts of the world, many parts of the supply chain still fail to meet the (AEO) security standards. It is simply because we are dealing with unethical people because there are some countries that simply don't have the same ethics as we do. One of our largest challenges right now is trying to get our intellectual property into China because the market is so huge.(Giunipero et al 2004).[109] Measures to keep cargo secure while it is en route are essential to a comprehensive strategy to secure the global supply chain. Mutual recognition to all parts of the world seems far away because it's about international trade and complex political negotiations between the European Commission and other trading partners of World.

6.3   The possible AEO effects

The AEO programme seems to have some positive and some negative consequences:

Positive
A positive effect is that there is a sustainable relationship between Customs and business to enhance security. The cooperation between business and Customs authorities is based on trust and the business feels responsible for the safety & security of the supply chain. An additional effect is that business started to think about their internal risk management (awareness), whether or not they are applying for the AEO status, all enterprises are faced with the dilemma of how to deal with security and are aware of the problems. The cooperation between the private and the public sector is strengthened and offers a good prospect for the future. The AEO programme could be a very good solution to distinguish between a "safe and an "unsafe "supply chain.

---

[108] *Supply Chain Performance Metrics Warren H. Hausman Management Science & Engineering Department Stanford University June 21, 2002 page 3*
[109] *Purchasing Education and Training II by Larry Giunipero, Ph.D. Professor Florida State University And Robert B. Handfield, Ph.D. Bank of America University Distinguished Professor North Carolina State University CAPS Research 2004 page 57*

A negative effect could be that the legislation creates a possibility of different interpretations concerning the granting the AEO status by the Member States. The competition between air- seaports and the too much 'support' from governments of Member States who want to stimulate their economic position could lead to granting the AEO status more smoothly in some of the Member States.

As mentioned before, the AEO status gives the AEO holder some advantages, such as less Customs inspections and announced Customs inspections. For economic reasons, it is very important to keep the supply chain moving swiftly. But because of safety and security is it wise to reconsider all the benefits. The AEO Status could even lead to more crime and more insecurity. The lack of inspections, potential perpetrators and easy targets can create opportunities for criminal activities. Less supervision can be a breeding ground for fraud and incidents.

The drug mafia threatens to infiltrate the Dutch Government and economy.[110] The Netherlands should put a lot of effort into not letting the country turn into a Mafia state, this is according the criminologist Cyrille Fijnaut following a new report by Europol, which clearly places the Netherlands as a leader in Europe as far as the production of drugs is concerned and as a transit country. In the year 2016, in the Port of Rotterdam law enforcement authorities confiscated a record amount of cocaine. The total amount of the year 2016 amounts to about 14.000 kg. The drugs with a street value of about € 700 million have been confiscated by the HARC-team, a collaborative effort of Justice, customs, FIOD and Seaport Police.

Research has shown that for fraud to occur three conditions need to be present. In the ' fraud triangle ', these conditions are clear:
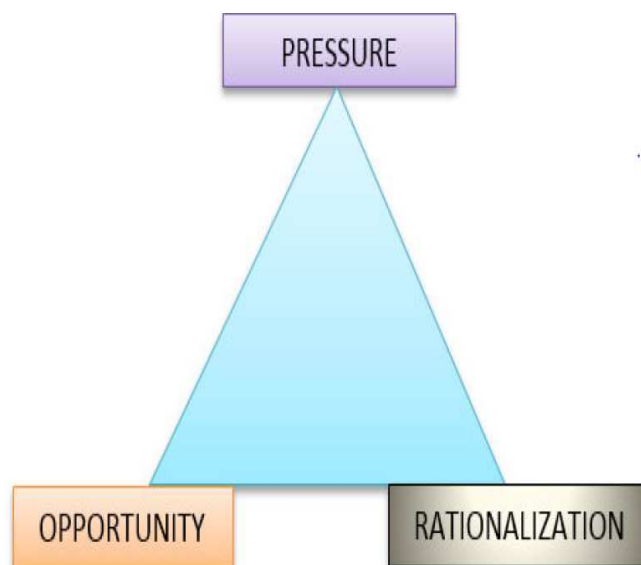

Figure: the fraud triangle source Wells J.T. 2005

The first condition is pressure, or the motivation, or intend to commit fraud. The second is the opportunity to commit fraud and hide and turn this into personal advantage. Opportunity is created by ineffective control or governance system that allows an individual to commit organisational fraud.[111] The third condition is a possibility for the fraud perpetrator to rationalize the action. The higher the pressure, the better the person who commits the action can rationalize the fraud. The management of an enterprise has a good ability to commit fraud because it is often in a position to directly or indirectly manipulate the accounting data and present false financial information.

---

[110] *Cerca Trova Een analyse van de Italiaanse maffia in Nederland University of Tilburg 2017*
[111] *Fraud Triangle Theory and Fraud Diamond Theory: Understanding the Convergent and Divergent for Future Research Rabi'u Abdullahi Noorhayati Mansor Muhammad Shahir Nuhu University Sultan Zainal Abidin, 21300 Kuala Terengganu, Malaysia European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)*
Vol.7, No.28, 2015 page 23

Characteristic is that the activities taking place are cross-border activities, by which often the existing goods and transport flow are being used. In Criminology, different types of relationships are investigated. The most well-known example of this is the search for the causal relationship between job and crime.

To understand the nature of organized crime and the developments in this area, in the Netherlands every four years 40 large investigations files are analysed (Kabwe and others, 1998; 2002; Van & Kabwe, 2007). On the occupations list the most diverse professions are mentioned, from carpenter to director of a pharmaceutical enterprise. A first peculiarity is that many professions are within the logistics (transport, trade) area. For example, importers or exporters of all kinds of goods, drivers, pursers and baggage basement staff. Their trade relations and their travel behaviour offer the opportunity for smuggling.

It also turns out that occupations in the logistic sector can be fairly simple switched from legality to illegality. The opportunity theory (Felson 1997) supports this claim. The theory claims that the level of crime is determined by the presence of potential criminals, the presence of adequate targets and a lack of inspections. It hardly needs further clarification: criminal groupings are in many areas dependent on the support of the legal environment and from this perspective, certain professions are of great importance for conducting illegal activities (Kabwe and others, 1998).

6.4   Answer to the main question

To what extent has the AEO Safety and security programme contributed to supply chain safety and security?

The AEO programme aimed to offer a lasting solution to the supply chain safety and security problem. This should be done in close cooperation with business, Customs and other relevant government departments.

During writing of this thesis, I have concluded that it is difficult to measure the contribution of the AEO programme to the safety & security of the supply chain. Governments, other organizations and enterprises have all developed their own safety & security programmes, which all offer their contribution to safety and security of supply chain. That is why it is hard to say which part of it can be contributed to the AEO programme.

The AEO programme seems a very good tool for Customs to differentiate between the "safe" supply chain and the "unsafe "supply chain, but that does not make the supply chain "safer" or more "secure".

Taking the conclusions of this thesis into account, at the moment parts of the AEO programme needs to be improved to make a significant contribution to a safer and more secure supply chain. The main contribution of the AEO programme currently is the cooperation between business and Customs and the increase of the safety and security awareness among staff within the enterprises. However Customs is trying to facilitate the Custom process as much as possible, at the same time, companies are imposed to AEO rules to a high level of detail.

Efforts to improve the supply chain security continue to focus on security in all of the global supply chain. But is it possible to manage and to measure safety & security? The route over which cargo travels is vast and difficult to manage and to secure, despite all good intentions. Cargo passes through a lot of hands and due to the combination of less Customs supervision, increasing globalisation and the opportunity of criminal activities, it could mean an increasingly less safe and secure supply chain.

Peter F. Drucker who is a writer, teacher, management consultant and business visionary and has been called "the inventor of modern management"[112] is an author of several quotes, and one them I would like to share with you here:

 "It is not possible to manage what you cannot measure and you cannot measure what you cannot manage!" (Peter Drucker)"

I found this quote very applicable to this thesis, safety and security is hard to manage and to measure. Due to many logistic parties in the chain, 'safety and security' is very hard to manage. You can measure it by numbers, but which part was the success of the AEO programme, remains a question which is very hard to answer.

---

[112] *https://www.cgu.edu/school/drucker-school-of-management/peter-f-drucker/*

7   Recommendations

Cooperation:
Cooperation between different government authorities regarding the granting procedure of the AEO status must be improved. Currently the LCEAO sends- mails to the other stakeholders, no contact persons are appointed and there is no verification if the e- mails are received by the right person. If no e- mail is received by the stakeholders, the LCAEO assumes there is no obstruction to granting of the AEO status. Currently the risk of not sharing important information is significant, that is why the communication with other government departments must be organized in a structural program, it must be clear who is the AEO contact person, and this contact person must have the knowledge about the AEO programme.

AEO holders in the supply chain:
The benefits of possessing an AEO status must be made clear in comparison to disadvantages of not having one. This should encourage enterprises to invest in measures to fulfil the requirements of the AEO programme. At the moment enterprises still do not seem to appreciate fully the advantage of having the AEO status compared to the situation of their trading partners not having the AEO status.
Clear communication with business aimed to stimulate creation of a supply chain which would consist entirely of enterprises in possession of the AEO status, would be recommended. It is not clear if enterprises are aware of the fact that they have no full benefit of the AEO status if their trading partners have no AEO status.

The AEO audit:
To achieve a uniform granting process, I recommend that the AEO auditors follow the same AEO education courses. Specific requirements should be posed concerning the security knowledge of the auditors. Currently no internal customs "training" is given. I recommend that the auditors follow a compulsory safety & security and AEO course, so they all have the same level of customs knowledge. I recommend employing trained security experts within the Customs organization; the same is required of enterprises with the AEO status, it seems very unprofessional that the Customs don't employ any safety & security experts of their own.

The AEO audit must be more focused on the operational side of the written procedures. I recommend arranging unannounced physical inspections regarding for example the entrance of the premises of the applicant during the AEO granting procedure.

The AEO audit team must consist of members with different insights and/or areas of expertise. This could lead to more relevant questions regarding granting the AEO status. Different insights and expertise can complement one another. The quality of the AEO audit improves when auditors with different field of expertise cooperate. It is recommended the composition of the AEO audit team contains at least one Custom officer who is experienced in administrative inspection, an IT specialist and a security specialist.

Screening
As said before, research shows that most criminal activities take place in the transport sector (cross border criminality). The benefits of the AEO programme, such as less Customs inspections and announced inspections, could cause more criminal activity because of the lack of supervision. That is why screening of staff and management is of paramount importance. Screening of staff by the police department must be mandatory. No screening or no certificate of good conduct (VOG) concerning the staff should be reason enough to reject an AEO application.

Security
During the AEO audit more attention must be given to IT security. The upcoming cybercrime is very disturbing. Enterprises in the transport and logistics sector are becoming increasingly dependent on digital information. Many activities within the enterprise directly depend on the availability of correct real time information. Digitalization can bring a lot of benefits, particularly in the logistics chain. This is especially true in the current time when all parties in the chain, such as the Customs authorities ask for secure and sustainable logistics solutions.

Logistics service providers are an interesting target for internet criminals. Cybercrime has taken a flight in the logistic sector.[113]. It is enough to think of the manipulation of systems with freight information, data hostage-taking (ransom ware) or the theft of data. The ABN AMRO, TLN and Aon Risk Solutions did research in the logistic sector. The joint report "Cyber security for logistics service providers" shows that 54 percent of enterprises is insufficient protected from cyber risks, 63 percent was threatened with malware and 10 percent was a victim of ransom ware.

They also recommend more attention to screening by own staff, the research shows that currently 53% of the enterprises are screening their staff, because often it turns out that the criminal act is committed by the own staff.

It turns out that "the awareness of management and staff of the importance of information security" is very low. Only 51.6% confirms that cybercrime is an important issue and in half of the enterprises a responsible manager is appointed regarding cyber security" according to Bart Banning, Sector Banker transport and logistics of ABN AMRO.[114]

Since the UCC insists on all the communication with the Customs authority must be digital, cybercrime can seriously disrupt the systems of the Customs authority. The partners in the supply chain exchange massive amounts of data every second, this brings a special responsibility. They should ensure that their organization is also digitally 'in control'. As a consequence, IT security must be an important issue in the AEO audit. Currently hardly any Customs IT specialists are involved in the process of granting the AEO status, therefore an IT specialist must be a structural member of the AEO audit team.

---

[113] *Research of the ABN Amro, AON risks solution and Transport Logistic Netherlands(T.L.N.) Cybersecurity for logistical service providers 2016 page 6*
[114] *http://www.logistiek.nl/logistieke-dienstverlening/nieuws/2016/11/logistieke-dienstverleners-onderschatten-cyberrisicos-101149681*

8   Final word

Terrorism is the largest threat the world is facing today, as said before the AEO programme started after the terrorist attacks on the 9/11 in the United States. Due to this terrorist attack a number of security programmes were implemented. But in retrospect, has these security programmes been effective? It is hard to say, because if we look at all the terrorist attacks in Europe but also the attack on 9/11 they were not supply chain or cargo related. Should we ask ourselves how could a single event, have such a far-reaching effect? The answer lies not so much in the event itself, as in the way the United States, under the leadership of President George W. Bush, responded to it. President George W. Bush declared war on terror, and radically implemented a number of safety and security measures. The United States is unquestionably the dominant power in the war on terror, it is therefore in a position to impose its views, interests, and values. However, Europe followed the American model and implemented the AEO programme to secure the supply chain. [115]

Terrorism has redefined supply-chain security, the consequences of an attack on or via a critical part of the global supply chain could be a tremendous loss of life and a crippling of economy. This has brought increased attention to supply chain security. The response has been proliferation of new security measures. For all these efforts, is the system of trade more or less secure? Will we know if these efforts are successful? How will success or failure be measured?

In this thesis, I have tried to give an overview of the AEO process and the development of the AEO programme so far. I hope you have enjoyed reading this thesis.

---

[115] *The Bubble of American supremacy A prominent financier argues that the heedless assertion of American power in the world resembles a financial bubble—and the moment of truth may be here* by George Soros *The Atlantic Monthly | December 2003*

9   List of references

- *Regulation (EU) No 952/2013 of the European parliament and of the Council of 9 October 2013 laying down the Union Customs Code (UCC).*

- *Regulation (EU) 2015/2446 of the European Parliament and of the Council of 28 July 2015 to the accomplishment of the Regulation (EU) nr. 952/2013 of the European Parliament and of the Council of 9 October 2013 the Delegated acts (DA).*

- *Article 127 point 4 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code*

- *Article 127 point 3 Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code*

- *Vo. (EG) nr. 648/2005 of the European Parliament and the Council, 13 April 2005; Publication EG nr. L117/2005, page 13 (http://eur-lex.europa.eu)*

- *Vo. (EG) nr. 1875/2006 van de Commissie, 18 december 2006, Pbl EU nr. L 360//2006, page 64 (http://eur-lex.europa.eu)*

- *Work Document Taxud 2006/14 Brussels, 13 June 2006 page 9,*

- *Consideration 1, Vo. (EG) nr. 1875/2006 of the Commission 18-12-2006, Pbl EU nr. L 360, page 64 (http://eur-lex.europa.eu)*

- *The AEO Guidelines TAXUD/B2/047/2011 - Rev.6 Brussels 11 march 2016 page -2-, AEO Guidelines TAXUD/B2/047/2011 - Rev.6 Brussels 11 march 2016 page 21*

- *The Safe Framework of Standards June 2012 page-3-, The Safe Framework of Standards June 2012 Introduction, The Safe Framework of Standards June 2012chapter 1.2 page -3-, The Safe Framework of Standards June 2012chapter 1.2 page -3- a global supply chain security initiative, developed at the WCO by the international trade community and WCO Member Customs administrations, to secure and facilitate the global supply chain.*

- *Announcement from the Commission to the Council, the European Parliament and the European economic and Social Committee on the role of customs in the integrated management of external borders/* COM/2003/0452 final * http://www.eerstekamer.nl/eu/europeesvoorstel/com_2003_452/document*

- *AEO "Steel framework" (staalkaart) Version 6 made by Dutch National office in Rotterdam enforcement policy May 2015*

- *Enforcement vision, pushing boundaries Dutch Customs F. Heijman et al page 6*

- *World Customs journal Supply Chain Security: The Customs community response volume 1 number 2 page 51 Kunio Mikuriya*

- *Research of the ABN Amro, AON risks solution and Transport Logistic Netherlands(T.L.N.) Cybersecurity for logistical service providers 2016 page 6*

Academic literature:

- *Supply Chain Management under the Threat of International Terrorism (Page 16) Yossi Sheffi Professor of Engineering Systems Professor of Civil and Environmental Engineering Massachusetts Institute of Technology MIT Centre for Transportation and Logistics Rm 1-235 77 Massachusetts Avenue Cambridge, MA 02139*

- *Enhancing Security Throughout the Supply Chain David J. Closs John H. McConnell et al Chair in Business Administration   Department of Marketing and Supply Chain Management Michigan State University*

- *The Bubble of American supremacy A prominent financier argues that the heedless assertion of American power in the world resembles a financial bubble—and the moment of truth may be here* by George Soros *The Atlantic Monthly | December 2003*

- *Thomas Reid's Essays on the Intellectual Powers of Man, 1786*

- *Research WODC "De georganiseerde criminaliteit in Nederland", auteur Henk vd Bunt, isbn: 9789054549031 april 2007*

- *of symbolic versus substantive implementation, Journal of International Business Studies, 37; Christmann, P. Taylor, G. (2006). Firm self-regulation through international certifiable standards: Determinants*

- *Sandholtz, K.W. (2012). Making standards stick: A Theory of Coupled vs. Decoupled Compliance, Organization Studies, 33(5-6)*

- *Mertens, F. (2011). Inspections, supervision by inspections, SDU. Rapport commissie Stevens 2012.*

- *Martina LANSKA Czech Technical University in Prague, Faculty of Transportation Sciences, Prague, Czech Republic*

- *"Towards trusted trade lanes" J. Hulstijn et al University of Tilburg 2016*

- *Voluntary Supply Chain Security Programs: A systematic comparison Ximena Gutierrez, Juha Hintsa*
  Cross-border Research Association, Lausanne, Switzerland ; EPFL ; HEC Lausanne

- *Paper prepared for ILS 2006, The International Conference on Information Systems, Logistics and Supply Chain. Lyon, France, May 15-17, 2006.Guttierez and Hintsa*

- *Technieken voor Verantwoord Vertrouwen Intreerede Uitgesproken op 29 april 2011 Ter gelegenheid van de aanvaarding van Het ambt van hoogleraar Information and Communication Technology Aan de faculteit Techniek, Beleid en Management Van de Technische Universiteit Delft Professor dr Yao Hua Tan page 5,17*

- *Politics and Politica Author Edwin Woerdman second press year 2004 page 108 isbn 9001955134*

- *Organized Crime in the Netherlands, author Henk vd Bunt, isbn: 978905454903 1april 2007*

- *Actual criminology authors van Dijk, Sagel Grande , Toornvliet isbn: 9059030133 vierde herziene druk 2002*

- *Basisboek integrale veiligheidskunde Wouter Stol e.a. isbn 978 90 6283 479 2 eerste druk tweede oplage 2008*

- *Risk management fourth version year 2008 author P.F. Claes;*

- *William, Z., Lueg, J. E., & LeMay, S. A. (2008). Supply chain security: an overview and research agenda. The International Journal of Logistics Management, 19(2) , 254-281.*

- *Environmental Criminology and Crime Analysis Richard Wortley,Lorraine Mazerolle theory (Felson 1997 chapter four page 70, 2008;*

- *Van Steden, R. (2008). Society and Safety Amsterdam: Free University Amsterdam;*

- *The definition of the World Customs Organization (WCO) http://www.wcoomd.org/*

- *Fraud Triangle Theory and Fraud Diamond Theory: Understanding the Convergent and Divergent for Future Research Rabi'u Abdullahi Noorhayati Mansor Muhammad Shahir Nuhu University Sultan Zainal Abidin, 21300 Kuala Terengganu, Malaysia European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.28, 2015 page 23*

Websites:

- *http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm*

- *www.nctb.nl definition of the National Coordinator of terrorism in the Netherlands*

- *http://www.wcoomd.org/home_wco_topics_epglobalsupplychainfacilitationandsecurity.htm*
-
- *http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/SAFE%20FrameworkEN_2007_for_publication.pdf*

- *http://www.icao.int/Meetings/AirCargoDevelopmentForum-Togo/Documents/SAFE-Framework-Standards_2012.pdf*

- *https://www.cbs.nl/nl-nl/nieuws/2015/36/-containervervoer-naar-rotterdamse-haven*

- *http://nieuws.schiphol.nl/verkeer--en-vervoerscijfers-schiphol-group-2016/*

- *http:/ lean six sigma.nl*

- *http://www.cbsa.gc.ca/security-securite/pip-pep/menu-eng.html*

- *http://ec.europa.eu/taxation_customs/general-information-customs/customs-security/authorised-economic-operator-aeo/authorised-economic-operator-aeo_en#what_is*

- *http://www.tullverket.se/en/Business/the_stairsec/*

- *http://c-tpat.com/what-is-ctpat/*

- *http://www.customs.gov/xp/cgov/import/commercial_enforcement/ctpat/fact_sheet.xml*

- *http://www.customs.govt.nz/news/resources/listsandguides/Documents/SES%20general%20brochure.pdf*

- *https://www.iso.org/about-us.html*

- *http://www.tapaonline.org/our-mission-vision-values*

- *Voluntary supply chain security programs: a systematic comparison Jua Hintsa et al*

- *http://www.wbasco.org/index-eng.htm (website Business alliance for secure commerce)*

- *http://www.toezine.nl/artikel/125/de-certificatieparadox/*

- *http://www.icao.int/about-icao/Pages/default.aspx*

- *http://ec.europa.eu/taxation_customs/dds2/eos/aeo_consultation.jsp?Lang=en&holderName=&aeoCountry=NL&certificatesTypes=AEOF&certificatesTypes=AEOS&Expand=true&offset=1&showRecordsCount=*

- *www.cbs.nl, internationalization monitor 2016 4th quart CBS page 13, CBS= Central Bureau of statistics of the Netherlands*

- *http://ec.europa.eu/taxation_customs/general-information-customs/customs-security/authorised-economic-operator-aeo/authorised-economic-operator-aeo_en#mutual*

- *http://www.logistiek.nl/logistieke-dienstverlening/nieuws/2016/11/logistieke-dienstverleners-onderschatten-cyberrisicos-101149681*

Databases:

- Customs digital client profile (in Dutch: klantbeeld)
- Customs Fraud Database (in Dutch: Douane fraude bestrijding: DFB)
- European database AEO
- Customs Supporting Supervision Database (in Dutch: Toezicht Ondersteuning Programma: TOP)

Survey:

- *A survey among all 1345 AEO holders in the Netherlands, mrs. V. Blasius, consultant in logistics and supply chain at Top Desk, carried out in May 2014,*

Interviews:

Name	Function	Organization
M. van Pelt	Manager Fenex, secretary Raden	Fenex
M. Neggers	National Coordinator AEO of the Netherlands	Customs
E. van Bommel	LCAEO	Customs Rotterdam
R. Hoorn	LCAEO	Customs Rotterdam
D.v. Braak	AEO Auditor	Customs Amsterdam
A.J. de Schipper	AEO Auditor	Customs Rotterdam harbor
J. van Seters	AEO Auditor	Customs Rotterdam Harbor
W. van Haren	AEO Auditor	Customs Schiphol Airport
A.Michalska	AEO Auditor	Customs Schiphol Airport
V. Engbertsen	AEO Auditor	Customs Schiphol Airport
R. Brugman	AEO Auditor	Customs Schiphol Airport
L. van Schijndel	AEO Auditor	Customs Eindhoven
J. Souren	AEO Auditor	Customs Venlo

10   Annexes

Annex 1 Overview of the main articles of the UCC

Article	Subject	Requirements
Article 39 UCC	Granting the status	a) the absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant; (b) the demonstration by the applicant of a high level of inspection of his or her operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate customs inspections; (c) financial solvency, which shall be deemed to be proven where the applicant has good financial standing, which enables him or her to fulfil his or her commitments, with due regard to the characteristics of the type of business activity concerned; (d) with regard to the authorisation referred to in point (a) of Article 38(2), practical standards of competence or professional qualifications directly related to the activity carried out; and (e) with regard to the authorisation referred to in point (b) of Article 38(2), appropriate security and safety standards, which shall be considered as fulfilled where the applicant demonstrates that he or she maintains appropriate measures to ensure the security and safety of the international supply chain including in the areas of physical integrity and access inspections, logistical processes and handling of specific types of goods, personnel and identification of his or her business partners.
Article 39(a) UCC, referring to article 24 of the IA of the UCC	Compliance	(1) Where the applicant is a natural person, the criterion laid down in Article 39(a) of the Code shall be considered to be fulfilled if, over the last three years, the applicant and where applicable the employee in charge of the applicant's customs matters have not committed any serious infringement or repeated infringements of customs legislation and taxation rules and have had no record of serious criminal offences relating to their economic activity. Where the applicant is not a natural person, the criterion laid down in Article 39(a) of the Code shall be considered to be fulfilled where, over the last three years, none of the following persons has committed a serious infringement or repeated infringements of customs legislation and taxation rules or has had a record of serious criminal offences relating to his economic activity: (a) the applicant; (b) the person in charge of the applicant or exercising inspection over its management;

		(c) the employee in charge of the applicant's customs matters.
Article 39(e) UCC referring to article 28 of the IA of the UCC.	Safety requirements	(1) The criterion laid down in Article 39(e) of the Code shall be considered to be fulfilled if the following conditions are met: (a) buildings to be used in connection with the operations relating to the AEOS authorisation provide protection against unlawful intrusion and are constructed of materials which resist unlawful entry; (b) appropriate measures are in place to prevent unauthorised access to offices, shipping areas, loading docks, cargo areas and other relevant places; (c) measures for the handling of goods have been taken which include protection against the unauthorised introduction or exchange, the mishandling of goods and against tampering with cargo units; (d) the applicant has taken measures allowing to clearly identify his business partners and to ensure, through implementation of appropriate contractual arrangements or other appropriate measures in accordance with the applicant's business model, that those business partners ensure the security of their part of the international supply chain; (e) the applicant conducts in so far as national law permits, security screening on prospective employees working in security sensitive positions and carries out background checks of current employees in such positions periodically and where warranted by circumstances; (f) the applicant has appropriate security procedures in place for any external service providers contracted; (g) the applicant ensures that its staff having responsibilities relevant for security issues regularly participate in programmes to raise their awareness of those security issues; (h) the applicant has appointed a contact person competent for safety and security related questions

Annex 2 Overview of the interviews

Interview 1 : Landelijk coördinator AEO M. Neggers

Vraag 1: Wat is uw rol/ functie m.b.t de AEO ?

Borging standpunten en beleid AEO proces Douane NL.
Nationaal contactpersoon AEO network meetings Brussel (DG TAXUD).
Contactpersoon voor bedrijfsleven in relatie tot AEO
Contactpersoon voor andere handhavingsdiensten in relatie tot AEO
Landelijke coördinatie AEO proces i.s.m. 8 RC AEO en LCAEO (intervisie overleg AEO)
Informatie-uitwisseling AEO ontwikkelingen
Expertise AEO proces
Ondersteunen LC/AEO bij complexe aanvragen en kontakten met andere EU lidstaten

Vraag 2: De AEO is ontwikkeld met het doel de Supply chain veiliger te maken vanwege terrorismedreiging en toename van criminaliteit.

De definitie van Safety & Security is in de wetgeving niet gedefinieerd. Wat verstaat Europa/Nederland onder Safety & Security ? En is deze interpretatie/definitie ook bekend bij de onderzoekers ?

AEO-Security: Het bewaken van de veiligheid en integriteit van de logistieke internationale handelsketen.

Vraag 3: Is het mogelijk dat de lidstaten het begrip Safety & Security onderling verschillend interpreteren ?

Ja.

Vraag 4: De AEO guide Lines bestaan uit zogenaamde open normen? Wat doet Douane Nederland eraan om zo Uniform mogelijk te werken ? (Europees, landelijk en regionaal niveau) Vindt er Europese en landelijke afstemming plaats ?

EU niveau: Periodieke AEO contact network meetings: afstemming tussen AEO experts van DG TAXUD en de 28 EU lidstaten in EU projectgroep.

Landelijk niveau: uniform AEO handhavingsbeleid en uniforme aanpak vaststellen.

Regionaal: uitvoering landelijk AEO beleid.

Vraag 5: Wat voor opleiding/niveau hebben de AEO onderzoekers gevolgd ?

AEO opleiding verzorgd door Douane

Vraag 6: Ondernemingen moeten voldoen aan behoorlijk wat veiligheidseisen op verschillende terreinen zoals, fysieke en informatie- beveiliging. Hebben de AEO onderzoekers een veiligheidsopleiding gevolgd, om deze eisen goed te kunnen beoordelen ?

Ja, veiligheid maakt onderdeel uit van AEO opleiding Douane

Vraag 7: Moet de AEO aanvrager een bepaald risico model gebruiken om de risico's in kaart te brengen zoals het compact risicoanalyse model ?

Nee geen voorgeschreven risicomodel, wel een in de DWU vastgestelde vragenlijst (SAQ) gebruiken.

Vraag 8: Wordt er tijdens een onderzoek voldoende aandacht besteed aan de Supply chain van de aanvrager AEO ? Hebben de onderzoekers voldoende kennis over Supply chain management ?

Ja, maakt onderdeel uit van AEO opleiding Douane.

Vraag 9: Is er voor de inrichting/ontwikkeling van de AEO samenwerking geweest met andere veiligheid overheden zoals Politie, Koninklijke Marechaussee, NCTB (Nationaal Coördinator Terrorisme Bestrijding) of AIVD.

Ja, samenwerkingstraject met KMar en informatie-uitwisseling met diverse andere handhavingspartners (ILT, NVWA, FIOD enz.).

Vraag 10: Op welke wijze wordt de aanvrager gescreend ? Wordt hierbij de Politie of andere overheidsdiensten geraadpleegd ?

Middels interne douanesystemen.

Vraag 11: Wordt er bij de aanvraag AEO bij andere (veiligheid) overheidsdiensten om (veiligheid) informatie gevraagd en zijn deze overheidsdiensten op de hoogte van de AEO regelgeving en de veiligheid eisen ?

Ja, KMar, NVWA, ILT, FIOD.

Vraag 12: Als het AEO certificaat is afgegeven, op welke wijze wordt er dan toezicht gehouden opdat het gecertificeerde bedrijf nog steeds aan alle (veiligheid) eisen voldoet?

3 jaarlijkse AEO audit op AEO (veiligheid)criteria

Vraag 13: Vind u zelf dat de komst van de AEO een bijdrage heeft geleverd aan de veiligheid in de Supply chain ?

Ja, vooral toegenomen awareness voor veiligheidsaspecten in de internationale logistieke handelsketen.

AEO bedrijven eisen ook steeds vaker van handelspartners dat zij een AEO vergunning hebben.

Bedankt voor uw medewerking

Interview 2: Medewerker landelijk centrum AEO in Rotterdam E. van Bommel:

Vraag 1: Wat is uw functie?

Ik ben Elmar van Bommel en ben coördinator van het team LCAEO

Vraag 2: Kunt u in het kort uitleggen wat de procedure is (beoordeling) vanaf het moment van een aanvraag van een AEO tot het moment van de afgifte? (bijv. op welke manier wordt de aanvraag ingediend? Hoe wordt deze behandeld? enz.)

In het kort:

Binnenkomst van de aanvraag via postbus. Daarna door de administratie wordt de aanvraag overhandigd aan de Aanvaarder

Aanvaarder toetst de volledigheid, Verwerkt door de administratie in de speciaal voor AEO gemaakte applicatie TREND (is workflow applicatie) en EOS (Europese AEO database, zodat lidstaten kunnen reageren op de aanvraag). daarna via TREND naar Pré-toetser.

Pré-toetser trekt bedrijf en bestuurders, daarna via TREND naar Beoordelaar

Beoordelaar maakt inspectie opdracht, daarna via TREND en TOP naar Regio-coördinator van de regio, waar aanvrager is gevestigd of werkzaamheden verricht.

Regio-coördinator zet onderzoek uit naar Onderzoeker.

Onderzoeker gaat naar aanvrager en doet onderzoek op de voorwaarden waaraan de aanvrager moet voldoen. Onderzoeker maakt onderzoeksrapport op. Daarna onderzoeksrapport naar de Regio-coördinator.

Regio-coördinator kijkt het onderzoek na en geeft mening met rapport aan LCAEO via TREND.

LCAEO beoordeelt rapport en mening en geeft vergunning met beschikking af, verwerkt dit in TREND en EOS. Daarna door de administratie wordt de beschikking met de vergunning opgestuurd

Vraag 3: Welke personen worden er gescreend bij de aanvraag?

Aanvrager (bedrijf) en directeur(en). (Indien een B.V. de directeur is van de aanvrager, wordt er net zo lang gekeken totdat natuurlijke persoon is gevonden).

Vraag 4: Met welke systemen toetst u het strafrechtelijk verleden van de aanvrager AEO. Wordt het strafrechtelijk verleden van de aanvrager ook getoetst, bijvoorbeeld bij de politie, op eventuele andere strafbare feiten dan alleen Douane delicten?

De bedrijven en personen worden nagetrokken via Digitaal Klantbeeld, DFB, DIAS, MAB, POSS, CDIU, COKZ, NVWA, IL en T, DIC, FIOD, Marechaussee, Blauwe ontvanger.

Vraag 5: Welke partners worden betrokken bij de afgifte van een AEO certificaat en horen hier bijvoorbeeld ook de AIVD of het NCTB bij vanwege terrorismebestrijding?

Niet AIVD en NCTB, zie voor overige partners vraag 4.

Vraag 6: Wordt er altijd contact opgenomen met onze (veiligheid) partners?

Ja

Vraag 7: Zijn er contactpersonen aangewezen bij onze (veiligheid) partners en indien dit zo is zijn zij dan op de hoogte wat een AEO certificaat inhoud?

Nee, geen speciale contactpersonen. Alles via infodesk van de partners. Via vastgestelde convenant wordt men geacht op de hoogte te zijn. Ook zijn er diverse voorlichting sessies geweest.

Vraag 6 Krijgt u altijd terugkoppeling van onze (veiligheid) partners? Hoe weet u of uw mail goed is aangekomen?

Bijna in alle gevallen is (was) er een terugkoppeling. Tot voor kort waren de lijnen vrij kort met diverse partners en werd geregeld contact opgenomen indien er geen terugkoppeling was ontvangen. Echter door reorganisatie op zowel het LCAEO en bij diverse partners is er even geen inspectie op de terugkoppeling. Door het LCAEO in samenwerking met het Landelijk Kantoor wordt dit weer opgepakt, en is het de bedoeling om een gesprekronde te organiseren met de partners zodra de reorganisatie is afgerond. Gesproken wordt alweer met COKZ, Havendienst en Marechaussee.

Vraag 8 Hoe verloopt het contact met onze partners indien er vragen zijn?

Telefonisch en er wordt een gesprekronde georganiseerd

Vraag 8 Is er iemand verantwoordelijk om de contacten met andere (veiligheid) partners te onderhouden?

Het Landelijk Kantoor Douane (Wim Visscher, Marcel Neggers) en teamleider LCAEO.

Hartelijk dank voor uw medewerking !!!

Interview 3 Onderzoekers AEO AD Vlaar

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?
Klantmanager en AEO onderzoeker.

Vraag 2: Bent u full time bezig met AEO?
Sinds het laatste jaar 50 % van mijn tijd.

Vraag 3 Wat voor opleiding heeft u gevolgd?
HBO en interne opleidingen binnen de douane

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?
Ja. 4 a 5 maanden verspreid over verschillende lesdagen en inwerken met onderzoeken met ervaren collega's.

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?
Ja. Basis opleiding, opleiding voor C. E en F douane medewerker. Dit in combinatie met vele aanvullende opleidingen waaronder AEO en HT.

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?
Aankondigingsbrief, inleidend gesprek, algemene bedrijfsvoering, externe bedrijfsstructuur, positie in de logistieke keten, in beeld brengen interne bedrijfsstructuur , interne organisatie, administratieve organisatie interne beheersingsmaatregelen, inrichting monitoring bedrijfsvoering, toetsing van de opzet, het bestaan en de werking van deze in relatie tot de AEO aspecten en hun kaders. Dit combinatie met bedrijfscultuur, Rol en betrokkenheid van personeel en de bestuurders. Vastlegging van opzet, bestaan en werking middels opvragen en oplegging in onderzoek dossier. Afronding middels eindgesprek, afstemming eventuele afspraken en verantwoording in rapportage.

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?
Ja.

Vraag 8: Hoe lang bent u bezig met een onderzoek?
Gemiddeld 108 uur.

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)
Zie antwoord 6.

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?
Hangt van het verloop af. Minimaal 2 bezoeken. Waaronder bij de 1^e als onderdeel inleidend gesprek en altijd rondgang binnen het bedrijf.

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?
Ja. Binnen de AEO opleiding werd nadrukkelijk aandacht besteed aan de veiligheid elementen.

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?
Aan de hand van daadwerkelijk onderzoek naar de opzet, het bestaan en de werking voor de binnen het bedrijf aanwezige en getroffen veiligheid maatregelen. Dit in combinatie met aanverwante veiligheidsprogramma's waar het bedrijf zich bij heeft aangesloten.

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?
Ja.

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?
Nee. Ja.

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?
Ja.

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?
Inzichtelijk maken hoe dit binnen het bedrijf is georganiseerd en hoe dit is beschreven. Toetsing van de opzet hiervan aan het bestaan en de werking door beoordeling van de daadwerkelijk uitvoering hiervan.

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?
Nee. Wel nee tenzij en ja mits.

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?
Ja. Zie antwoord vraag 6

Hartelijk dank voor uw medewerking!

Interview 4 Onderzoekers AEO D. v.d .Braack

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?
RC AEO. Begonnen bij douane 1 okt 2005.

Vraag 2: Bent u full time bezig met AEO?
Ja.

Vraag 3 Wat voor opleiding heeft u gevolgd?
Register accountant, socioloog en compliance aan VU.

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?
9 dagen.

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?
Verkorte C cursus in 2005.

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?
LCAEO stuurt controle opdracht en dossier. Oriëntatie op kantoor en toewijzing twee onderzoekers. Brief naar bedrijf m.b.t. datum eerst onderzoeksdag en gevraagde info.
Ter plekke bij bedrijf eerst interviews over totstandkoming aanvraag, waarom en de aanpak self assessment van het bedrijf. Vervolgens waarnemen procedures en opzet , bestaan en werking testen met deelwaarnemingen.

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?
Ja, moet van DWU!

Vraag 8: Hoe lang bent u bezig met een onderzoek?
Verschillend, hangt af van bedrijfsomvang en de voorbereiding. Kortste onderzoek 1 dag bij bedrijf, daarna rapport en TOP dossier afwerken in 1 dag. Langste onderzoek een jaar, waarbij bedrijf uitstel vroeg omdat er dingen niet goed geregeld waren. De doorlooptijd is dan soms een jaar, terwijl de echt bestede tijd 80 uur kan zijn.

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)
Deelwaarneming, bevestigend interview, waarneming ter plaatse van veiligheidsmaatregelen, ICT en douane routines. Gebruikmaken van compliance info van het lcaeo. Gebruikmaken van andere certificeringen zoals isps en kmar.

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?
Fysiek aanwezig varieert van 1 dag tot 10 dagen. Altijd rondgang! Moet trouwens van DWU.

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?
Nee. Wel stukje in AEO cursus. Geen andere opleiding beschikbaar.

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?
Waarneming ter plekke, lezen van de procedures, testen van de procedures op werking voor zover dat gaat.

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?
Ja, maar het moet groeien in de praktijk.

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?
Vroeger in opleiding aandacht voor ICT. Nu wel kennis opgebouwd in de praktijk.

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?

De AEO is maar één schakel in de chain die zijn handelspartners (voorliggende schakel en opvolgende schakel) op betrouwbaarheid wil/moet beheersen. Waarom is die kennis nodig? Als je dit vraagt moet je eerst uitleggen wat je onder supply chain security verstaat.

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?
Geldt alleen voor AEO S. Guidelines geven aanwijzingen. Eerst laten analyseren wie de handelspartners zijn en welke procedure daarover geschreven is door bedrijf. Dan procedure beoordelen qua opzet, bestaan en werking.

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?
Ja, procedures dekten niet de werkelijkheid. Incidenteel. Veel vaker verzoeken we de aanvrager in te trekken omdat ze niet altijd begrijpen wat AEO is.

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?
Ja, veldtoetsen worden uitgevoerd conform TOP veldtoets en het memo veldtoets. Overigens wordt het AEO beleid nu herschreven.

Hartelijk dank voor uw medewerking!

Interview 6 Onderzoeker AEO J. van Seters

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?
medewerker AEO-onderzoeker, 34 jaar werkzaam bij de douane

Vraag 2: Bent u full time bezig met AEO?
Nee, ongeveer 70% van mijn tijd

Vraag 3 Wat voor opleiding heeft u gevolgd?
MBO-4 administrateur en diverse interne opleidingen waaronder de E-opleiding

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?
Ja ik heb een aparte MDT-AEO opleiding gevolgd van 24 dagen.

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?
Ik heb diverse douane opleidingen gevolgd waaronder de E-opleiding

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?
Opdracht – vooroverleg met KLAMA – contact met klant – aankondigen onderzoek – raadplegen AEO en of dossiers van de klant – verzamelen signalen en monitoring informatie – uitvoeren onderzoek (doel - aanpak – bevinding – conclusie)

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?
Ja, altijd

Vraag 8: Hoe lang bent u bezig met een onderzoek?
Dat varieert, ik kan geen gemiddelde doorlooptijd benomen.

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)
Bij afgifte: Opzet, bestaan, maar ook beperkt de werking
Bij veldtoetsen: Opzet, bestaan en werking

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?
Fysiek aanwezig: meerdere dagen
Rondgang door het bedrijf: Ja, altijd

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?
Ik heb een veiligheidsopleiding gevolgd tijdens de MTD-E opleiding. Verder heb ik diverse interne en externe opleidingen gevolgd die raakvlak hebben met veiligheid.

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?
Fysieke veiligheidseisen, IT, administratief

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?
neutraal

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?
Ik heb geen IT opleiding gevolgd en heb beperkte kennis van IT security. Hiervoor worden de EDP medewerkers ingeschakeld.

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?
Voorlopig wel

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?

Opvragen SLA en andere overeenkomsten – beoordeling opzet, bestaan en werking van de procedures en monitoring informatie – opvragen info van derden

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?
Ja, op grond van de veiligheid

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?
Monitoring staat centraal

Hartelijk dank voor uw medewerking!

Interview 7 AEO Onderzoekers AEO J. Souren

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?
- *medewerker E (2012), werkzaam sinds september 1982.*

Vraag 2: Bent u full time bezig met AEO?
- *Neen, zit in de administratieve controle en ik hou mij daarbij o.a. bezig met CNI, AEO, Regeling controles.*

Vraag 3 Wat voor opleiding heeft u gevolgd?
- *Hoogst genoten opleiding is HAVO.*

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?
- *In 2010 interne opleiding AEO, duur 3 dagen.*

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?
- *Alle interne opleidingen Douane!*

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?
- *Voorbereiding inlezen dossier, afspraak klant kennismaking gesprek, uitlegcontrole en aanpak. Beoordeling aanpak Self-Assessment, gebruik Guidelines, Risico inschatting bedrijf en daaraan gekoppelde scores in relatie tot douane risico's en aard van het bedrijf, beoordeling procedures op* <u>opzet</u> *en* <u>bestaan</u>*, beheersmaatregelen en controle maatregelen.*

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?
- *Altijd*

Vraag 8: Hoe lang bent u bezig met een onderzoek?
- *Geen exact beeld, voorbereiding kantoor, diverse bedrijfsbezoeken (ongeveer 3-5 dagen), beoordeling procedures (2-3 dagen), afronding, opmaken rapport en eindgesprek (2 dagen). Totaal ongeveer 80 uur. De bedrijfsbezoeken worden altijd in koppelvorm uitgevoerd. Totaal aantal uren plus minus 150.*

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)
- *Opvragen procedure beschrijvingen, beoordelen procedures, interview betrokken afdeling/personen, toetsing aan Guidelines, opzet bestaan beheersing. De werking wordt niet getoetst bij de aanvraag.*

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?
- *Er volgt altijd een rondgang, onderdeel bedrijfsverkenning.*

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?
- *Zat in de opleiding AEO*

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?
- *Zie vraag 9.Er volgt altijd een specifieke rondgang waarbij vragen worden gesteld inzake de procedures.*

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?
- *Ja*

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?
- *Geen IT opleiding, indien te weinig onderbouwing procedurebeschrijving, inschakelen van EDP specialist. Bij afgifte meestal niet nodig.*

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?
- *Ja*

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?
- *Er wordt gekeken naar opzet en bestaan, heeft klant alle handelspartners in beeld, zijn deze AEO gecertificeerd of is er een veiligheidsverklaring afgegeven, welke afspraken zijn er met deze handelspartners of zijn er SLA's.*

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?
- *Meestal wordt indien de aanvraag zal leiden tot afwijzing de klant geadviseerd om zijn verzoek om afgifte in te trekken. Dit was vooral bij de start van de AEO in 2010-2012, daarna zag je dat bedrijven een beter SA indienen en ook externe adviseurs inschakelden.*

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?
- *Ja. De veldtoetsen zien met name op de werking van procedures en de interne beheersing op passende staat van dienst, vakkennis, deugdelijke financiële en logistieke administratie, financiële solvabiliteit en veiligheid. Hierbij worden er lijncontroles en proceduretest uitgevoerd op met name douanerisico's en indien van toepassing security items.*

<u>Interview 8 AEO Onderzoekers AEO V. Engbertsen</u>

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?
Ik ben in 2007 begonnen bij de Douane, dit jaar dus 10 jaar. Momenteel heb ik een deelfunctie, ik ben klantmanager en ik ben AEO onderzoeker.

Vraag 2: Bent u full time bezig met AEO?
Nee, ik doe enkele onderzoeken per jaar.

Vraag 3 Wat voor opleiding heeft u gevolgd?
Voordat ik bij de Douane ben komen werken heb ik een MEAO opleiding Logistiek gevolgd. Ik ben tevens opgeleid (cursus) tot auditor. Bij de Douane heb ik een interne opleiding voor AEO onderzoeker gevolgd.

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?
Ik ben aangenomen vanwege mijn auditorenachtergrond wat ik heb begrepen. Ik ben pas intern de AEO opleiding gaan volgen vanwege het gebrek aan AEO onderzoekers. In eerste instantie mocht ik geen AEO opleiding volgen aangezien ik een E-functionaris ben.

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?
Ik ben horizontaal en extern geworven. De Douane wilde destijds als proef wat mensen aannemen die specifieke werkervaring of specifieke opleiding hadden gevolgd. In principe heb ik slechts een 5 daagse verkorte C-opleiding gevolgd.

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?
Op basis van de gegevens-set van het LCAEO, de aard van het bedrijf en contact met de (eventuele) klantmanager wordt er een plan opgesteld. Het eerste gesprek wordt algemeen ingestoken. Hebben wij alle gegevens van het bedrijf ontvangen, dan zal er specifieke processen onder het licht gehouden worden. Als alle onderdelen zijn bekeken, documenten zijn ontvangen en beoordeeld, dan zal het onderzoek worden afgerond.

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?
Bij mijn onderzoeken ga ik <u>altijd</u> bij een bedrijf langs.

Vraag 8: Hoe lang bent u bezig met een onderzoek?
Vaak ligt het aan het bedrijf, maar ik zou meestal tussen de 2 en 3 maanden aan.

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)
Het self assessment, de onderbouwing hiervan op papier, enkele processen worden eruit gelicht, deze processen worden dan met het bedrijf bekeken. Verder moeten alle benodigde stukken ingeleverd worden voor de onderbouwing voor de afgifte.

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?
Per bezoek gemiddeld 2 tot 3 uur en per onderzoek gemiddeld 2 tot 3 bezoeken. Mocht het bedrijf AEO met Veiligheid aanvragen, volgt er altijd een rondgang door het pand.

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?
Ik heb voor mijn 'carrière' bij de Douane een VCA paspoort behaald. Dit is een globale veiligheidsopleiding voor het bedrijfsleven.

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?
Ten eerste een schouwing, ten tweede of het bedrijf veiligheidscertificeringen in zijn bezit heeft, zoals ELA, RA, ISO, ten derde of er externe audits hebben plaats gevonden, ten vierde of er een BAL aanwezig is, ten vijfde of het bedrijf de medewerkers naar bepaalde cursussen stuurt en als laatste of alle procedures zijn vast gelegd.

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?
Persoonlijk vind ik van wel, maar het is lastig te beoordelen of alle onderzoeken op hetzelfde niveau naar veiligheid wordt gekeken. Ook vind ik dat als een bedrijf bijvoorbeeld al ELA is, dat er te weinig nog naar het veiligheidsaspect gekeken wordt.

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?
Hoewel wij dit bij alle onderzoeken vragen, heb ik geen opleiding genoten of kennis van IT security. Alleen de globale zaken kan ik beoordelen op IT gebied, zoals wachtwoorden, firewalls, back-up procedures etc.

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?
Ik denk dat ik vrij veel kennis op dit gebied heb, maar ik heb twijfels of iedereen die onderzoeken doet op ons kantoor volledig op de hoogte is van de opzet en waarborgen in de supply chain met betrekking tot de luchtvracht.

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?
Vrijwel niet. Ik vraag aan het bedrijf welke maatregelen ze nemen. Bedrijven vinden het zelf al lastig om handelspartners goed te screenen. Onderwerp wordt wel standaard aangehaald tijdens een onderzoek.

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?
De enige onderzoeken die ik heb afgewezen waren omdat het bedrijf zonder na te denken een aanvraag hadden ingediend, niets hadden geregeld of op papier gezet en gewoon dachten dat er zonder onderzoek een certificaat zou worden afgegeven.

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?
De veldtoetsen die ik uitvoer zie ik als een AEO onderzoek light. Ik leg de nadruk op de eigen en/of externe monitoring/audits er zijn uitgevoerd. Specifieke signalen worden besproken en hoe het bedrijf problemen in hun proces ondervangen en aanpassen. Er wordt meer gebruik gemaakt van de staat van dienst die door het LCAEO wordt aangeleverd.

Hartelijk dank voor uw medewerking!

Interview 9 Onderzoeker AEO R. Brugman

Vraag 1: Wat is uw functie? Hoe lang werkt u bij de Douane?

-        8,5 jaar

Vraag 2: Bent u full time bezig met AEO?

-        Nee, sinds dit jaar ben ik daarnaast werkzaam als klantmanager

Vraag 3 Wat voor opleiding heeft u gevolgd?

-        HEAO MER

Vraag 4 Heeft u een aparte AEO opleiding gevolgd? Zo ja, hoe lang duurde deze opleiding, zo, nee waarom niet?

-        Ja, 10 dagen

Vraag 5 Heeft u een Douane opleiding gevolgd, zo ja welke?

-        Ja, verkorte C-opleiding en een verkorte F-opleiding (3 maanden)

Vraag 6 Kunt u in het kort uitleggen hoe de procedure van het onderzoek verloopt?

Voorafgaand aan het eerste (bedrijf verkennend) gesprek wordt eerst risico-informatie binnen de eigen organisatie ingewonnen zoals info vanuit het LCAEO, klantmanager en recent uitgevoerde AC's.

Het koppel AEO-onderzoekers vraagt in het bedrijf verkennend gesprek o.a. naar de motivatie van de aanvraag en informeert de aanvrager over de processtappen van het onderzoek.

Op basis van intern verkregen informatie over de aanvrager, bedrijfsactiviteiten en de rol in de logistieke keten kunnen de onderzoekers al globaal een risico-inschatting maken van de risico's die voor de Douane spelen. Hierbij wordt ook het door de aanvrager ingevulde formulier samenvatting AEO-self-assessment gezamenlijk doorgenomen waarbij wordt uitgevraagd hoe de scores tot stand zijn gekomen. Het bedrijf moet per relevant AEO-onderdeel zichzelf minimaal een score 3 toekennen. Dit betekent dat de processen beschreven moeten zijn en bekend zijn bij het personeel.

Bij het tweede gesprek wordt dieper op de kern van de AEO-vereisten ingegaan. Hierbij is het relevant dat de aanvrager voldoende stukken aan de onderzoekers beschikbaar stelt die een onderbouwing geven van de scores van de samenvatting van het AEO-self-assessment. Hierbij valt te denken aan jaarrekeningen, een handboek met eventueel aanvullende werkinstructies, veiligheidsplannen (m.n. bij AEO-S) etc. zodat met risico-gerichte aanvullende vragen de opzet van de beheersmaatregelen kan worden beoordeeld. Om het bestaan van de beschreven beheersmaatregelen te toetsen worden meerdere deelwaarnemingen gedaan. Deelwaarneming op het gebied van AEO-veiligheid kunnen bijvoorbeeld bestaan uit het opvragen van een Verklaring Omtrent Gedrag (VOG) van de meest recent in dienst getreden medewerker, een schouw van het kantoor en eventueel loods waarbij o.a. een oordeel wordt gegeven over de toegangsbeveiliging, de aanwezigheid van camera's en alarmsystemen. Bij het slotgesprek worden de open eindjes en conclusies besproken. Het onderzoek wordt afgesloten met een eindrapportage die ondertekend wordt toegestuurd.

Vraag 7: Vind er altijd een bedrijfsbezoek plaats? Zo nee, waarom niet?

-        Ja, minimaal drie gesprekken; een bedrijf verkennend gesprek, minimaal één kerngesprek en een slotgesprek.

Vraag 8: Hoe lang bent u bezig met een onderzoek?

- De duur van het onderzoek is onder andere afhankelijk hoe goed de aanvrager zich heeft voorbereid. Indien de aanvrager een extern adviseur heeft ingeschakeld om het AEO-aanvraagproces te begeleiden dan kunnen snel eventuele plooien worden gladgestreken, door kort en snel tussen elkaar te schakelen. Vanaf het bedrijf verkennend gesprek duurt het volledig doorlopen van het onderzoek gemiddeld 3 tot 4 maanden.

Vraag 9: Op welke wijze beoordeeld u de AEO eisen? (Opzet, bestaan, werking)

- Zie beantwoording vraag 6

Vraag 10: Hoe lang bent u fysiek aanwezig bij een onderneming i.v.m. het onderzoek? Maakt u altijd een rondgang door het bedrijf?

- Per bezoek meestal twee uur. Er wordt altijd een rondgang door het bedrijf gemaakt om een indruk van de structuur en cultuur van de organisatie te krijgen.

Vraag 11: Heeft u een veiligheidsopleiding gevolgd? Zo ja welke? Zo nee, waarom niet?

- Nee, bij de AEO-opleiding was voor het AEO-aspect veiligheid slechts één dag ingeruimd. Destijds te kort naar mijn zin. Er waren geen aanvullende opleidingen beschikbaar.

Vraag 12 Op welke wijze beoordeeld u de verschillende veiligheidseisen genoemd in de AEO wetgeving/ AEO guide Lines?

- Ik beoordeel de veiligheidseisen met name vanuit de rol waarin de aanvrager zich in de logistieke keten bevindt. Bij een luchtvrachtexpediteur die zich vooral met export bezighoudt zijn andere veiligheidsrisico's van toepassing dan die van een importeur. Het speelt ook mee of een bedrijf beschikt over een eigen opslagruimte. Bij de beantwoording van vraag 6 heb ik voorbeelden gegeven.

Vraag 13: Vind u dat u over voldoende veiligheidskennis beschikt om alle veiligheidsmaatregelen te beoordelen?

- Inmiddels wel, maar bij de eerste onderzoeken was het soms improviseren.

Vraag14: Heeft u een IT opleiding gevolgd? Hebt u kennis van IT security?

- Nee, ik heb geen IT-opleiding gevolgd en heb basale kennis van IT-veiligheid.

Vraag 15: De AEO is gebaseerd op Supply chain security, heeft u voldoende kennis van Supply chain security?

- Ja, wel voor het speelveld waarin ik mij bevind.

Vraag 16: Hoe beoordeeld u de veiligheid van de handelspartners van de aanvrager AEO?

- Door te vragen wie hun stakeholders zijn en wat voor afspraken hiermee gemaakt zijn als het gaat om activiteiten die AEO-C en/of AEO- S douanewetging raken.

Denk bijvoorbeeld aan een Service Level Agreement (SLA): met een schoonmaakbedrijf waarin is geregeld dat ze uitsluitend tijdens kantooruren schoonmaken. Of een SLA met een IT-dienstverlener die 24/7 paraat staat bij het verhelpen van storingen, of het tijdig maken van back-up 's en het installeren van antivirus updates.

Bij exportzendingen moet een aanvrager die beschikt over de status Erkend Luchtvrachtagent (van de KMar) er voor zorgen dat de goederen veilig ('safe en secure') worden aangeleverd bij de 1e linieloods).

Vraag 18: Heeft u wel eens een AEO aanvraag afgewezen? Zo ja, weet u nog op grond waarvan?

Nee niet afgewezen. Ik heb wel een aantal keren het bedrijf er toe bewogen om de aanvraag in te trekken op basis van onvoldoende risico-inzicht en procesbeschrijvingen.

Vraag 19: Voert u ook veldtoetsen uit in het kader van monitoring? Op welke wijze voert u deze veldtoets uit?

Met de komst van de DWU worden niet langer veldtoetsen uitgevoerd maar AEO-herbeoordelingen. Bij herbeoordelingen wordt met name gekeken hoe de AEO borgt dat continue aan de AEO-voorwaarden wordt voldaan. Dit gebeurt door het intern en het eventueel extern laten beoordelen van de beheers omgeving door interne inspecties (zoals interne audits, vastleggingen in het incidentenregister, dossier inspecties, 4-ogenprinipe bij aangiften etc.) en het actueel houden van de douaneprocedures.

Hartelijk dank voor uw medewerking!