

**OFFICE OF THE COMMISSIONER OF CUSTOMS (NHAVA SHEVA-III)
JAWAHARLAL NEHRU CUSTOM HOUSE,
NHAVA SHEVA, URAN, RAIGAD, MAHARASHTRA – 400 707**

F.No. S/22-Gen-06/2018-19 DPD AEO CELL

Date: 21.06.2018

STANDING ORDER No. 30/2018

Subject: Processing of Authorized Economic Operator (AEO) applications - reg.

Attention of all officers and staff of JNCH, Mumbai Customs Zone-II is invited to the **Board Circular No. 33/2016-Customs, dated 22-7-2016 and Circular No. 3/2018- Customs, dated January 17, 2018**((available at: <http://www.cbec.gov.in/Customs-Circulars-Instructions>) on the above mentioned subject.

2. Following procedure shall be adopted while processing the "application for AEO accreditation" filed by Importers, Exporters, Logistics Operators, Customs Brokers, Custodian and any other person involved in International Supply Chain & Customs related work/activities.

3. Receipt of Application:-

- i. "Application for AEO accreditation" shall be received by "TA" in AEO Cell, (4TH Floor, "A" wing), Nhava Sheva-III, JNCH. However, any applicant may submit AEO application along with all annexures (duly signed and properly scanned) through email at aeocell.jnch@gov.in. Any application received through email by any other section / officer shall be forwarded to AEO Cell JNCH (email address: aeocell.jnch@gov.in) on the same day.
- ii. On receipt of the application, the TA shall issue acknowledgement immediately. (Acknowledgement shall also be sent by reply email in case any application is received through email). The acknowledgement shall be issued to the contact person as mentioned in Annexure 'A' of application through this section email id aeocell.jnch@gov.in in the Performa attached.
- iii. Details of all such applications (received through email or in hard copies) shall be entered in the relevant registers (separately for each category i.e. for T-1, T-2, T-3 and LO). Thereafter, file number shall be given by T.A. The T.A. will also check whether all the documents required as per Circular No. 33/2016 as amended by Circular No 03/2018 (namely all Annexures and documents required for those Annexure) have been submitted or not. The "list of document / evidence" required to be checked by TA is enclosed herewith as (**Annexure "B"**). TA will check availability of each of the document and put "tick mark" against each entry of the said check list.
- iv. The application along with accompanied documents shall be put up on file before AC/DC AEO Cell along with checklist (**Annexure "B"**) indicating deficiency noticed, if any. AC/DC AEO Cell will assign **AEO T-I application** to one of the AEO team (consisting of A.O./Suptd& EO/PO). Application for **AEO T-2, T-3 & LO** shall be put up before Nodal Officer, AEO Cell, JNCH, who will assign such applications to one of the AEO team (consisting of AC/DC, AO/Suptd& EO/PO).

4. Processing / Scrutiny of Application by AEO Team:-

- i. The dealing officer will first prepare "**letter for legal verification**" from field formation as per the requirement of para 3.2 of Circular No 33/2016 as amended by Circular No 03/2018 in prescribed format enclosed as **Annexure 'C'** requesting field formation to forward legal verification report on E-mail address aeocell.jnch@gov.in. The legal verification letter shall be uploaded on CBIC website through mail to webmaster.cbec@icegate.gov.in with the approval of Nodal Officer, AEO Zone-II .(ADC/JC). The "letter for legal verification" should be uploaded within "**two weeks from receipt of application**".
- ii. Thereafter, a separate letter to JC/ADC, CIU, SIIB(I/X) and CFS Cell JNCH shall be forwarded for obtaining report on legal verification of the applicants. If the applicant is a Custom Broker (CB), a separate mail shall be sent to "Customs Broker (CB) Cell of NCH Mumbai (If registered at NCH, Mumbai)" at their mail address cbec.nch@gov.in for verification in the prescribed format discussed above.
- iii. Application shall be scrutinised by the AEO Team as per provision contained in Circular No. 33/2016 as amended by Circular No. 03/2018 issued by CBIC. Discrepancy, if any, shall be intimated to Contact person of the applicant through "**Email**" with approval of AC/DC and Nodal Officer AEO Zone-II Customs.
- iv. In case of application for AEO T-I accreditation, the team shall put up final scrutiny report in format enclosed as **Annexure-"D" to Nodal officer through AC/DC AEO Cell** .
- v. In case of application for **AEO-T2 and LO**, if the application is found to be complete, the AEO team shall put up the same for approval of "physical verification of applicant premises" to the Nodal officer AEO Zone-II. Date of verification shall be fixed with the consent of applicant by Nodal Officer. AEO team shall put up verification report and scrutiny report in the format enclosed as **Annexure "E"**.

5. Forwarding Processed Application to Programme Manager AEO, Delhi

- i. The applications shall be processed on First In First Out Basis(FIFO) principle.
- ii. The completed application with Scrutiny report of AEO team (Physical verification report of the premise of applicant also in case of AEO T2/LO application,) shall be put up through "AC/DC AEO Cell" to the Nodal Officer AEO Cell for his recommendation to the "AEO Programme Manager". The Scrutiny Report as detailed above should contain observation of AEO Team on fulfilment of requirements stipulated in CBEC Circular 33/2016 dated 22.07.2016 as amended by Circular 03/2018 dated 17.01.2018.
- iii. The file should be put up to "Nodal Officer, AEO Cell" along with Recommendation Letter (in the format as prescribed) to be forwarded to "Programme Manager AEO & Commissioner DIC Delhi". The Nodal Officer shall examine the report submitted by "AEO Team" and forward the "AEO Application to the Office of Programme Manager & Commissioner DIC Delhi with covering remark as Recommended for grant of AEO Status / Rejected for grant of AEO Status or forwarded for Discretion of AEO Programme Manager to grant of AEO status.

- iv. The Recommendation letter of Nodal Officer along with document like scrutiny report, Physical verification report of AEO Team along with Relied upon documents is to be forwarded to the Office of Programme Manager AEO Delhi by post same day.

6. Client Relationship Manager

- i. Shri R. K. Singh, Joint Commissioner has been appointed as "Client Relationship Manager(CRM)" by the Zonal Chief Commissioner in terms of provision contained in Para 5.3.6 of Circular 03/2018 dated 18.01.2018. The same has been uploaded on JNCH website. In future also, the appointment of CRM is required to be given wide publicity by issuance of Public Notice and uploading of CRM contact detail on website of JNCH by the Appraising Main Section of NS-I Commissionerate. The Client Relationship Manager is responsible for:-
 - ii. Clarifying / Resolving query, if any, of AEO applicant while filing the AEO application in the office of CC Customs Zone-II. In case of unavailability or doubt, the CRM can direct the applicant to the AEO Cell of JNCH for guiding the applicant.
 - iii. CRM shall be single point of interaction with AEO clients. CRM should act as voice of AEO within Customs in relation to legitimate concern and issues of AEO. CRM should assist in getting procedural and operational issues resolved by coordinating with different sections within customs as well as other stakeholders.
 - iv. Keeping record of Custom related Error reported voluntarily by the AEO Status holder and forwarding the same to AEO Cell on weekly basis.
7. In case of any difficulty, the specific issue may be brought to the notice of Deputy/Assistant Commissioner in charge of AEO Cell, NS-III (email address: aeocell.jnch@gov.in).

Sd/-
(SUBHASH AGRAWAL)
Commissioner of Customs (NS-III).

To:

1. The Chief Commissioner of Customs, Mumbai Zone-II, JNCH for information.
2. The Commissioner of Customs, NS-G/ NS-I / NS-II / NS-III / NS-IV / NS-V, JNCH
3. The Chairman, JNPCT / CEO GTI / CEO NSICT & NSIGT / BMCT.
4. Office Bearers of CSLA, MANSA, CFSAI for circulating among their members (as well as to other shipping lines / CFSs operating at JNPT) for information and necessary action.
5. All Additional / Joint Commissioner of Customs, JNCH
6. All Deputy / Assistant Commissioner of Customs, JNCH
7. All Sections / Groups of NS-G, NS-I, NS-II / NS-III/ NS-IV / NS-V, JNCH
8. BCBA / FIEO for circulating among their members for information.
9. AC/DC, EDI for uploading on JNCH website immediately.

ANNEXURE-‘A’

Sir/Madam,

Please refer to your application for AEO T1 Certificate.

Your application Ref. No.- dated which was received in AEO Cell, JNCH, Nhava Sheva, Raigad on is acknowledged in terms of para 4.1 of Circular No. 33/2016- Customs, dated 22.7.2016 as amended by Circular No. 03/2018 dated 17.01.2018 at AEO Cell, O/o Chief Commissioner of Customs, Zone-II, Mumbai, JNCH, Nhava Sheva, Distt- Raigad, Maharashtra- 400707.

Your application will be processed by AEO Cell, O/o Chief Commissioner of Customs, Zone-II, Mumbai, JNCH, Nhava Sheva, Distt- Raigad, Maharashtra- 400707 and the same shall contact you for further correspondence.

With warm regards.

AEO Cell,
O/o Chief Commissioner of Customs,
Zone-II, Mumbai,
JNCH, Nhava Sheva, Distt- Raigad,
Maharashtra- 400707
Phone No. 022-27244766/750/779

ANNEXURE-‘B’

Please see the application from M/S _____ for AEO Tier -I certification as per the CBEC’s Circular No.33/2016 dated 22.07.2016.

During the preliminary scrutiny of the application, it has been noticed that the following necessary supporting document / Standard Operating Procedure (SOPs) are not enclosed in the application:

- i. Duly filled and signed **Annexure A**
- ii. **Copy of IEC with annexures,
Copy of PAN,
Copy of GST,
Copy of Certificate of Incorporation/Registration Certificate/ownership agreement.**
- iii. The details of *Process Map of import/export* are not submitted as prescribed in **Annexr - C**.
- iv. Details of all the Branches / Offices of the entity firm & their Site plan / SOP as prescribed in **Annexure - D**.
- v. Duly filled and signed **Annexure E.1**
- vi.
 1. List of Directors and Company Secretary.
 2. Cancelled Cheque/Bank Statement
 3. List of B/E or S/Bs in the past financial year.
 4. Balance Sheet/ Annual Reports for Last 3 financial year.
- vii. Duly filled **Annexure E.2** with details of legal compliance
- viii. SOP for Legal Compliance demonstrating: (E.2.v)
 - a. Procedures in place to identify and disclose any irregularities or errors to the Customs authorities or, where appropriate, other regulatory bodies.
 - b. Taken appropriate remedial action when irregularities or errors are identified.
- ix. Duly filled **Annexure E.4** with details of solvency.
- x.
 1. Solvency Certificate from the Statutory Auditor or from CA for last three years.
 2. Undertaking regarding Solvency of the Entity for last three years.
- xi. Duly filled **Annexure E.3** with details and following documents.
 - i. Documented Process / SoP for Maintenance and archieving of records. E.3.d
 - ii. Document related to Accounting Standards/Principles, **Or Annual Report** E.3.a
 - iii. Organization Chart/Administrative setup corresponding to type/size of Bussiness E.3.b
 - iv. SOP/documented process for handling of licences and authorizations E.3.c
 - v. SOP/documented process for verifying accuracy of Customs declaration E.3.f
 - vi. SOP in respect of Information technology security and safety measures in place E.3.g
 - vii. SOP/Documented process in respect of employee training and awareness to tackle compliance difficulties and make contacts with Customs Authorities E.3.e

If approved the above marked deficiencies may be intimated to the applicant via e-mail for submission of required documents and further processing of the application.

In case application is for AEO-T2/LO then also enclose following:-

- viii.* The details of *Security Plan* are not submitted as prescribed in **Annexure - B**.
- ix.* SOP for Cargo Security. It may cover safety and security of the cargo during packing, storage, 7 points inspection of containers, sealing with PAC/ISO 17712 seals, etc.
- x.* SOP for Procedural Security which are related to the procedures of Cargo Movement, Documents Management, Record Management.
- xi.* SOP for Conveyance Security. It may cover integrity and security of conveyance used for transportation of cargo, pre-determined route follow, random route check, etc.
- xii.* SOP for Premises Security.
- xiii.* SOP for Personnel Security. It may cover recruitment / termination, antecedent verification, types of employees i.e. permanent / contractual / hired, etc.
- xiv.* Details of outsourced activities like Housekeeping, Security etc and copy of contracts of these service providers.
- xv.* SOP related to Business Partner Security. Further, details of the Business Partners, Transporters and Freight Forwarders who handle / clear the Cargo of export / import and copies of contracts of these Business Partners.
- xvi.* KYC norms and its SOP. Sample copy of records maintained for KYC norms.
- xvii.* Write up on IT functioning and data security. SOP for document storage in 'Hardcopy' and data storage server and backups.

These above listed documents / SOPs is requested to be submitted to this office maximum within 21 days so that your application can be processed within prescribed period. If required you may contact the undersigned on 022-23711036 for any query/information.

ANNEXURE-‘C’



सीमाशुल्क आयुक्त (एन एस – III) का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-III
मूल्यनिरूपण मुख्य (आयात) APPRAISING MAIN (IMPORT)
जवाहरलाल नेहरू सीमाशुल्क भवन, न्हावा शेवा,
JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA-SHEVA
ता. उरण,, TAL-URAN, जिला रायगड / RAIGAD – 400 707, महाराष्ट्र
MAHARASHTRA
(e-mail:aeocell.jnch@gov.in; Telephone No.022-27244779)

F.No.S/22-Gen-..../2017-18 AEO Cell

Date:

To,

1. The Director General, Narcotics Control Bureau, Ministry of Home Affairs, West Block, No. 1, Wing No. 5, R. K. Puram, New Delhi – 110 066.
2. The Director General, Directorate of Revenue Intelligence, ‘D’ Block, I.P. Bhawan, I.P. Estate, New Delhi – 110 002.
3. The Director General, Directorate General of Goods & Service Tax Intelligence, West Block VIII, Wing No. VI, 2nd Floor, R. K. Puram, New Delhi – 110 066.
4. The Commissioner, Directorate of Legal Affairs, 4th Floor, Rajendra Bhawan, 210, Deendayal Upadhyay Marg, New Delhi – 110 002.
5. The Additional Director General, Directorate General of Systems, Risk Management Division, 13, Sir Vithaldas Thackersey Marg, Opp Patkar Hall, New Marine Lines, Mumbai – 400 020.
6. All Chief Commissioners, Customs, Customs (Prev.), Goods & Service Tax, Goods & Service Tax (Audit).

Sir/Madam,

Sub.: Legal verification of AEO application under AEO program regarding.

Please refer to the letter F.No.450/179/2009-Cus IV)Pt(dated 02.01.2017 issued by the Director Customs and the letter F. No.1380/65/2016 dated 11.01.2017 of PM AEO DGPM on the above subject matter and Para iv of CBEC Cir 03/2018 dt. 17.01.2018 (available on CBEC website (Home -> Departmental Officers -> System / Home -> Public Information -> Indian AEO Programme).

The **Importer/Exporter/Custodian/ Customs Broker**, as per the attached list have applied for AEO-T1, T2 & LO Status:

It is requested that details as mentioned below against the above applicant and its Director / Proprietor/Partner Person entities may be sent to this office on this office e-mail id: aeocell.jnch@gov.in within 14 days from date of issue/upload of this letter on CBEC website.

I. Show Cause Notice issued to them during last three financial years involving fraud, forgery, outright smuggling, clandestine removal of excisable goods or cases where Service Tax has been collected from customers but not deposited to the Government.

II. Case wherein prosecution has been launched or is being contemplated against the applicant or its senior management.

III. Ratio of disputed duty demand or Drawback demanded or sought to be denied in SCN issued under Custom Act 1962)other than those mentioned in)I(&)II(above(during last three

Financial Year to the total duty paid or Drawback claimed during the same period i.e. last three Financial Year.

The details may include issue in brief, date of SCN/order and revenue implication. In case this applicant has come to any adverse notice of the department/Govt., details may be communicated.

These details are necessary to run a background check on compliance record submitted by the party for the last three years in terms of Para 3.2 of the Customs Circular No.33/2016 dated 22.07.2016.

In case no comments are received within 14 days, it will be presumed that you have no objection in granting "AEO" status to the above applicants.

Yours faithfully,

Addl. Commissioner of Customs,
AEO Cell, JNCH, Nhava Sheva.

Encl: As above.

Copy to:

1. The AEO Programme Manager, Directorate of International Customs, Central Board of Excise & Customs, Jeevan Bharti Building 2nd Tower, 5th Floor, Connaught Place, New Delhi – 110 001.
2. The J. S.)Customs(, CBEC, North Block, ICEGATE, Directorate General of Systems & Date Management, New Delhi.
3. The Addl. Director General)Systems(, ICEGATE, Directorate General of Systems & Data Management, New Delhi.

AEO-T1			
Sr. No	Name of Firm/ Address	IEC No.	Director/Partner/contact person's Name
1			
2			
3			
4			
AEO-T2			
1			
2			



सीमाशुल्क आयुक्त (एन एस – III) का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-III
मूल्यनिरूपण मुख्य (आयात) **APPRAISING MAIN (IMPORT)**
जवाहरलाल नेहरू सीमाशुल्क भवन, न्हावा शेवा,
JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA-SHEVA
ता. उरण., TAL-URAN, जिला रायगड / RAIGAD – 400 707, महाराष्ट्र
MAHARASHTRA
(e-mail:aeocell.jnch@gov.in; Telephone No.022-27244779)

F.No.S/22-Gen- /2017-18 AEO Cell

Date:.

To,
The Deputy Commissioner of Customs,
CB Section,
New Custom House,
Ballard Estate,
Mumbai.

Sir/Madam,

Sub.: Verification of Antecedents of Custom Brokers regarding.

Please refer to the subject mentioned above.

In this regard, it is informed that following Custom Brokers have applied for AEO-LO status:

AEO- LO			
1			
2			

Hence, you are requested to inform as to whether any case is pending against the above mentioned applicants. The reply may be sent to this office on email id: aeocell.jnch@gov.in within 7 days of the receipt of the same.

Yours faithfully,

Dy. Commissioner of Customs
AEO Cell, JNCH, Nhava Sheva.



सीमाशुल्क आयुक्त (एन एस – III) का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS, NS-III
मूल्यनिरूपण मुख्य (आयात) **APPRAISING MAIN (IMPORT)**
जवाहरलाल नेहरू सीमाशुल्क भवन, न्हावा शेवा,
JAWAHAR LAL NEHRU CUSTOM HOUSE, NHAVA-SHEVA
ता. उरण,, TAL-URAN, जिला रायगड / RAIGAD – 400 707, महाराष्ट्र
MAHARASHTRA
(e-mail: aeocell.jnch@gov.in; Telephone No.022-27244779)

F.No.S/22-Gen-...../2017-18 AEO Cell

Date.

To,

Addl/Joint Commissioners of Customs,

1. CIU,
2. SIIB(I),
3. SIIB(X),
4. CFS M.Cell,
JNCH, Nhava Sheva.

Sir/Madam,

Sub.: Legal verification of AEO application under AEO program regarding.

Please refer to the letter F.No.450/179/2009-Cus IV)Pt(dated 02.01.2017 issued by the Director Customs and the letter F. No.1380/65/2016 dated 11.01.2017 of PM AEO DGPM on the above subject matter and Para iv of CBEC Cir 03/2018 dt. 17.01.2018 (available on CBEC website (**Home -> Departmental Officers -> System / Home -> Public Information -> Indian AEO Programme**)).

The following **Importer/Exporter/Custodian/ Customs Broker**, have applied for AEO Accreditation with the AEO Cell O/o The Chief Commissioner of Customs, Zone-II, JNCH, Nhava Sheva.

AEO-T1			
Sr. No	Name of Firm/ Address	IEC No.	Director/Partner/contact person's Name
1			
2			
3			
4			
AEO-T2			
1			
2			

It is requested that details as mentioned above against the above applicant and its Director / Proprietor/Partner Person entities may be sent to this office on this office e-mail id: aeocell.jnch@gov.in within 14 days from date of issue/upload of this letter on CBEC website.

I. Show Cause Notice issued to them during last three financial years involving fraud, forgery, outright smuggling, clandestine removal of excisable goods or cases where Service Tax has been collected from customers but not deposited to the Government.

II. Case wherein prosecution has been launched or is being contemplated against the applicant or its senior management.

III. Ratio of disputed duty demand or Drawback demanded or sought to be denied in SCN issued under Custom Act 1962)other than those mentioned in)I(&)II(above(during last three Financial Year to the total duty paid or Drawback claimed during the same period i.e. last three Financial Year.

The details may include issue in brief, date of SCN/order and revenue implication. In case this applicant has come to any adverse notice of the department/Govt., details may be communicated.

These details are necessary to run a background check on compliance record submitted by the party for the last three years in terms of Para 3.2 of the Customs Circular No.33/2016 dated 22.07.2016.

In case no comments are received within 14 days, it will be presumed that you have no objection in granting "AEO" status to the above applicants.

Yours faithfully,

Addl. Commissioner of Customs,
AEO Cell, JNCH, Nhava Sheva

ANNEXURE-‘D’

Name of the AEO T1 applicant :
 Contact Person :

 CONTACT NO. :
 IEC NO :
 PAN CARD NO :
 CIN :
 GSTIN NO. :
 STATUS OF APPLICANT : MANUFACTURER IMPORTER/EXPORTER

S. N.	<i>Eligibility Criteria to meet the objective</i>	<i>Reply of the Party</i>	<i>AEO Team Assessment</i>	<i>Document /Evidence submitted & Page No.</i>
Eligibility Conditions and Criteria for granting the AEO Certificate				
1	Whether company has a certificate of registration issued by the Registrar of Companies			
2	Whether details of places/ locations where goods are being handled, e.g. loading, unloading, storage etc., in the course of supply to/from international supply chain are provided by the company			
3	Whether company has provided any Proof about the business of its own accounts			
4	Whether applicant had business activities for at least three financial years preceding the date of application			
5	Whether applicant has minimum 25 transactions either of Import or Export transactions			
6	Whether any show cause notice issued to them during last three financial years involving fraud, forgery, outright smuggling, clandestine removal of excisable goods or cases where Service Tax has been collected from customers but not deposited to the Government.			
7	Whether any case wherein prosecution has been launched or is being contemplated against the applicant or its senior management.			
8	Whether ratio of disputed duty demanded or drawback demanded or sought to be denied, in all the show cause notices issued under the Customs Act, 1962 (other than those mentioned in Sr. No. 5 and 6) during the last three financial years, to the total duty aid and drawback claimed during the said period is more than ten percent.			

	If answer to above is yes, whether officer has reviewed the nature of cases.			
9	Whether an applicant has demonstrated that he has:			
i.	Procedures in place to identify and disclose any irregularities or errors to the Customs authorities or, where appropriate, other regulatory bodies.			
ii.	Taken appropriate remedial action when irregularities or errors are identified.			
10	Whether after identification of error, the applicant has taken steps to ensure that they do not happen again or, at least, to ensure that they are immediately remedied if they do arise.			
11	Whether applicant has maintained an accounting system consistent with Generally Accepted Accounting Principles (GAAP) / International Financial Reporting Standards (IFRS) which facilitates audit-based Customs control			
12	Whether applicant has administrative set up which corresponds to the type and size of business and which is suitable for the management of the flow of goods, and have internal controls capable of detecting illegal or irregular transactions;			
13	Wherever applicable, have satisfactory procedures in place for the handling of licenses and authorizations connected to export/import;			
14	Whether satisfactory procedures in place for archiving of the company's records and information, and also for protection against the loss of information;			
15	Whether applicant has ensured that employees are made aware of the need to inform the Customs authorities whenever compliance difficulties are discovered and establish suitable contacts to inform the Customs authorities of such occurrences			
16	Whether applicant has satisfactory procedures for verifying the accuracy of Customs declarations			
17	Whether applicant has appropriate information technology security measures to protect the applicant's computer system from unauthorized intrusion and to secure the			

	applicant's documentation			
	Financial Solvency			
18	Whether applicant is financially solvent during the three financial years preceding the date of application.			
i.	Whether applicant is listed currently as insolvent, or in liquidation or bankruptcy.			
ii.	Whether applicant have defaulted in payment of due Customs duties during the past three years.			
19	Whether applicants has submitted an undertaking regarding its solvency and a Solvency Certificate issued by the Statutory Auditor of the applicant.			

In view of above, the applicant may be considered for grant of AEO-T1 status.

Examining Offer

Examining Officer

Dy. Commissioner of Customs

ANNEXURE-‘E’

Name of the AEO T1/T2 / LO applicant: _____
 AEO T1 to submit Reply upto Sl. No. 19 only

Sr · N o.	<i>Eligibility Criteria to meet the objective</i>	<i>Reply of the Party</i>	<i>AEO Team Assessment</i>	<i>Document/Evidence submitted & Page No.</i>
Eligibility Conditions and Criteria for granting the AEO Certificate				
1	Whether company has a certificate of registration issued by the Registrar of Companies			
2	Whether details of places/ locations where goods are being handled, e.g. loading, unloading, storage etc., in the course of supply to/from international supply chain are provided by the company			
3	Whether company has provided any Proof about the business of its own accounts			
4	Whether applicant had business activities for at least three financial years preceding the date of application			
5	Whether applicant has minimum 25 transactions either of Import or Export transactions			
Legal Compliance				
6	Whether any show cause notice issued to them during last three financial years involving fraud, forgery, outright smuggling, clandestine removal of excisable goods or cases where Service Tax has been collected from customers but not deposited to the Government.			
7	Whether any case wherein prosecution has been launched or is being contemplated against the applicant or its senior management.			
8	Whether ratio of disputed duty demanded or drawback demanded or sought to be denied, in all the show cause notices issued under the Customs Act, 1962 (other than those mentioned in Sr. No. 5 and 6) during the last three financial years, to the total duty aid and drawback claimed during the said period is more than ten percent. If answer to above is yes, whether officer has reviewed the nature of cases.			
9	Whether an applicant has demonstrated that he has:			
i.	Procedures in place to identify and disclose any irregularities or errors to the Customs authorities or, where appropriate, other regulatory bodies.			
ii.	Taken appropriate remedial action when irregularities or errors are identified.			
10	Whether after identification of error, the applicant has taken steps to ensure that they do not happen again or, at least, to ensure that they are immediately remedied if they do arise.			
Managing Commercial and (where appropriate) Transport Records				
11	Whether applicant has maintained an accounting system consistent with Generally Accepted Accounting			

	Principles (GAAP) / International Financial Reporting Standards (IFRS) which facilitates audit-based Customs control			
12	Whether applicant has administrative set up which corresponds to the type and size of business and which is suitable for the management of the flow of goods, and have internal controls capable of detecting illegal or irregular transactions;			
13	Wherever applicable, have satisfactory procedures in place for the handling of licenses and authorizations connected to export/import;			
14	Whether satisfactory procedures in place for archiving of the company's records and information, and also for protection against the loss of information;			
15	Whether applicant has ensured that employees are made aware of the need to inform the Customs authorities whenever compliance difficulties are discovered and establish suitable contacts to inform the Customs authorities of such occurrences			
16	Whether applicant has satisfactory procedures for verifying the accuracy of Customs declarations			
Financial Solvency				
17	Whether applicant has appropriate information technology security measures to protect the applicant's computer system from unauthorized intrusion and to secure the applicant's documentation			
18	Whether applicant is financially solvent during the three financial years preceding the date of application.			
i.	Whether applicant is listed currently as insolvent, or in liquidation or bankruptcy.			
ii.	Whether applicant have defaulted in payment of due Customs duties during the past three years.			
19	Whether applicants has submitted an undertaking regarding its solvency and a Solvency Certificate issued by the Statutory Auditor of the applicant.			
Safety and Security				
20	Whether applicant has in place appropriate internal controls and measures to ensure safety and security of applicant's business and his supply chain, in addition to any specific legal requirements that may be applicable to the business.			
i.	Whether applicant has ensured security of procedures, cargo, procedures, conveyances, premises, personnel and business partners.			
Procedural Security				
21	Whether applicant has developed and maintained a security policy and procedure manual which shall contain detailed guidelines on procedures to be followed to preserve the integrity of the cargo while in its custody, loading and unloading from transport conveyance			

	and during transport.			
i.	Whether manual also stipulate how seals are to be controlled and affixed to cargo and transport conveyances			
22	Whether Security measures is in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain.			
23	Whether proper documentation of management procedure is in place to ensure that all documentation used in the clearing of cargo is legible, complete, accurate and protected against the exchange, loss of introduction of erroneous information.			
24	Whether procedure is in place to ensure that information received from business partners is reported accurately and timely as well as declared in the time limit regulated by Customs.			
25	Whether procedure is in place to ensure that:			
i.	Import / Export cargo are reconciled against the information on the bill of lading.			
ii.	The weights, labels, marks and piece count of the import/export cargo are accurately indicated.			
iii.	Import/export cargo are verified against purchase/delivery orders			
iv.	Drivers delivering or receiving cargo are positively identified before cargo is received or released.			
26	All shortages, overages, and other significant discrepancies or anomalies must be resolved and/or investigated appropriately			
Premises Security				
27	Whether Buildings are secured against unlawful entry.			
28	Whether all gates, fences and windows are secured with locking devices or alternative access monitoring or control measures.			
29	Whether authorized personnel controls the issuance of locks and keys			
30	Whether adequate internal and external lighting are provided especially for entrances and exits, cargo handling and storage areas, fence lines and parking areas			
31	Whether gates through which vehicles and/or personnel enter/exit are manned, monitored or otherwise controlled.			
i.	Whether Vehicles accessing restricted areas are parked in approved area and their license plate numbers furnished to Customs upon request.			
32	Whether only properly identified and authorized persons, vehicles and goods are permitted access			
33	Whether access to document or cargo			

	storage areas are restricted			
34	Whether applicant ensured appropriate security systems for access control.			
35	Whether restricted areas are clearly identified			
36	Whether integrity of structures and systems are periodically inspected.			
37	Whether perimeter fencing enclosed the areas around cargo handling and storage facilities.			
38	Whether clear demarcation within a cargo handling structure has being made to segregate domestic, international, high value and hazardous cargo			
39	Whether the numbers of gates are kept to the minimum necessary for proper access and safety.			
40	Whether unauthorized vehicles are prohibited from parking in or adjacent to cargo handling and storage areas			
	Cargo Security			
41	Whether only properly identified and authorized persons have access to the cargo			
42	Whether integrity of cargo is ensured by permanent monitoring or keeping in a safe, locked area.			
43	Whether all seals meet the current PAS / ISO 17712 standards for high security seals.			
44	Whether the integrity of container seals are checked by the authorized person by following the procedure prescribed in the security policy manual			
45	Whether only authorized personnel distributes container seals and safeguard their appropriate and legitimate use			
46	Whether appropriate to the type of cargo container used, a seven-point inspection process is recommended: Front wall, Left side, Right side, Floor, Ceiling/Roof, Inside/outside doors, Outside/undercarriage			
47	Whether appropriate procedures are laid down on measures to be taken when an unauthorized access or tampering is discovered			
48	Whether goods are uniformly marked or stored in designated areas and procedures should exist to weigh / tally them and compare them against transport documents, purchase/sales orders and Customs papers			
49	Whether internal control procedures exist when discrepancies and/or irregularities are discovered.			
	Conveyance Security			
50	Whether applicant has ensured to the extent possible that all conveyances used for the transportation of cargo within the supply chain are capable of being effectively secured.			
51	Whether applicant has ensured to the extent possible that all operators of conveyances used for transport of cargo are trained to maintain the security of the conveyance and the cargo at all times while in its custody			

52	Whether applicant has procedure in place through which operator's reports actual or suspicious incident to designated security department staff of the applicant company as well as to maintain records of these reports.			
i.	Whether records are being made available to the AEO Programme Team and the Customs.			
53	Whether applicant has ensured that potential places of concealment of illegal goods on conveyances are regularly inspected			
54	Whether applicant has ensured that transporters make sure that conveyance integrity is maintained while the conveyance is on route transporting cargo to export/import points or import/transit containers by utilizing a tracking and monitoring activity log or records			
55	Whether applicant has ensured that pre-determined routes are identified by the dispatcher, and procedures must consist of random route checks along with documenting and verifying the length of time between the loading point/trailer pickup and the delivery destinations			
56	Whether applicant has ensured that drivers notify the dispatcher of any route delays due to weather, traffic and/or rerouting			
57	Whether applicant has ensured that the management of transporters perform a documented, periodic, and random verification process to ensure the logs are maintained and conveyance tracking and monitoring procedures are being followed and enforced			
Personnel Security				
58	Whether all reasonable precautions are taken when recruiting new staff to verify that they are not previously convicted of security-related, Customs or other criminal offences.			
59	Whether periodic background checks are conducted on employees working in security sensitive positions			
60	Whether employee identification procedures require all employees to carry proper identification that uniquely identifies the employee and organization			
61	Whether procedures to identify, record and deal with unauthorized or unidentified persons, such as photo identification and sign-in registers for visitors etc. are ensured at all points of entry			
62	Whether procedures are in place to expeditiously remove identification and access to premises and information for employees whose employment is terminated			
Business Partner security				
63	Whether have written and verifiable process, including the capability of financial soundness and compliance with the safety requirement set by the			

	contracts as well as the capability of detection and correction of safety defects, for the selection of business partners.			
64	For business partners having AEO certification, whether the applicant has collected those business partners' copies of certification			
65	For non-AEO partners, whether the applicant gets written confirmation of meeting AEO equivalent security criteria from them. Such business partners must have one of the following written documents demonstrating their compliance with security criteria: a. Contractual document b. A completed self-assessment security questionnaire from the applicant. c. A written statement from the business partner demonstrating their compliance with AEO security criteria. d. Senior business partner officer attesting to compliance. e. Documents from the business partners demonstrating their compliance with and equivalent and accredited security program administered by a foreign Customs authority.			
66	Whether periodic reviews of business partner's processes and facilities are conducted based on risk, and must maintain the security standards required by the applicant.			
Security Training and Threat Awareness				
67	Whether a threat awareness program is established and maintained for employees to foster awareness of the threat at each point in the supply chain			
68	Whether employees are aware of the procedures the company has in place to address a situation and how to report it.			
69	Whether specific training is offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies and protecting access controls			
70	Whether supply chain security training of employees include the following items: i. Security policy of the company ii. Potential risk to internal security of the company iii. Maintaining cargo security iv. Access control measures of the company v. Identifying and reporting suspicious cargo and personnel vi. Conveyance management and cargo security for conveyance management personnel			
71	Whether records of security training are maintained and made available for verification by the AEO Programme Team and the Customs			

PROFORMA FOR RECOMMENDATION LETTER

❖ **Brief of the Application:-**

- Name of the Applicant:- .
- AEO Tier Applied : Tier-One
- Date of Receipt of application-

❖ Discrepancy noticed as per Circular No. 33/2016-Custos and 03/2018-Customs for respective tiers.
: N/A

❖ The following Annexures are required for respective tiers

Sl. No	Annexure	Subject	Whether Complete/ in order		Comments, If any*
			AEO T1	Y/N	
1	Annexure-A	Application Form	Yes	Yes	
2	Annexure-B	Security Plan	No	N/A	
3	Annexure-C	Process Map	Yes	Yes for all locations	
4	Annexure-D	Site Plan	Yes	Yes for all locations	
	Annexure-E				
5	Annexure-E1	General Compliance	Yes	Yes	Supporting documents submitted
6	Annexure-E2	Legal Compliance	Yes	Yes	Supporting documents submitted
7	Annexure-E3	Managing commercial and (where appropriate) transport records	Yes	Yes	Supporting documents submitted
8	Annexure-E4	Financial Solvency	Yes	Yes	Supporting documents submitted
9	Annexure-E5	Safety & Security	No	N/A	
10	Annexure-F	Business Partner Detail	No	N/A	

❖ Applicant has requested vide their letter ref.no. - dated 09.05.2018 for processing the file for AEO-LO Status.

Recommendation by the Nodal Officer-Recommended for approval

Jt. Commissioner of Customs,
Nodal Officer AEO Cell,
JNCH, Nhava Sheva.

