

# The New AEO Paradigm

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# KGH IS THE LEADING PROVIDER OF TRADE & CUSTOMS BORDER MANAGEMENT IN EUROPE – WITH GLOBAL REACH

OPERATIONS – CONSULTING – DIGITAL

> 700

EMPLOYEES

14,000

CUSTOMERS

GOV/BUSINESS

CLIENTS

Customs

Border

Experts

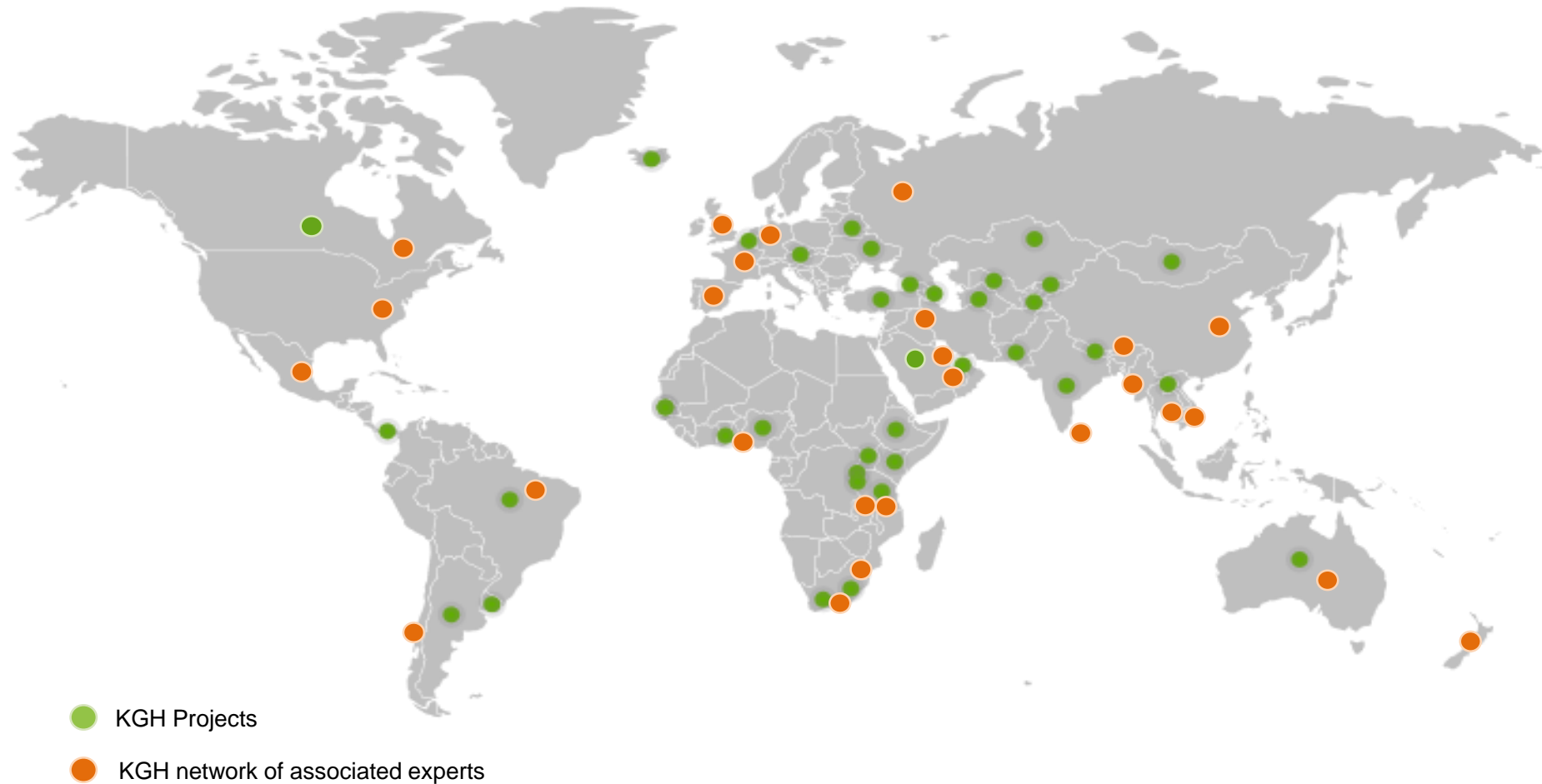


WE ARE GLOBAL MARKET LEADERS ON AEO

# ABOUT KGH

## KGH in Brief – Global experience

KGH has extensive experience of global projects and has a network consisting of 125 recognized international Customs experts throughout the world. Customs is international by nature and at KGH we find it extremely valuable to have local “on the ground” knowledge about the overseas trading partners.



## Imagine

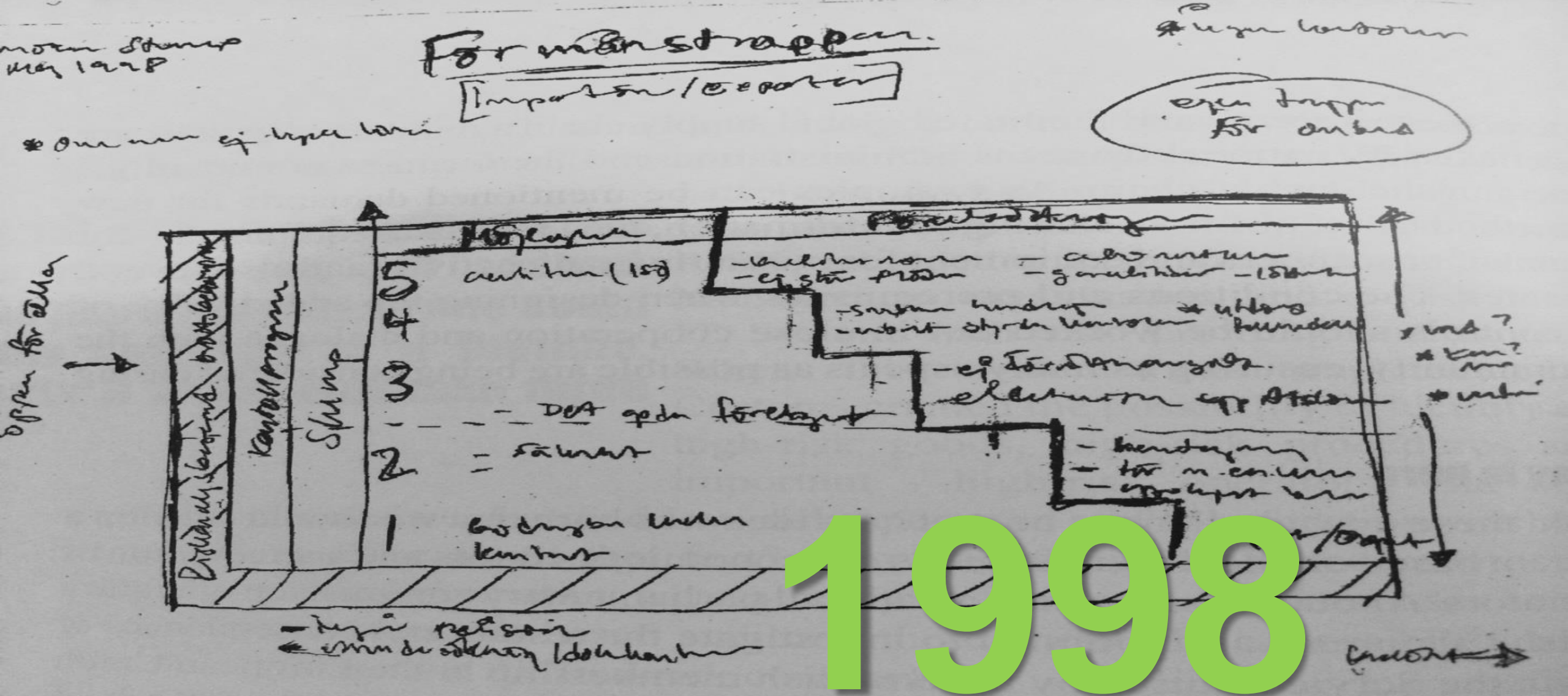
- YOU ONLY IDENTIFY YOURSELF ONCE
- YOU SEND ONE SINGLE SET OF INFORMATION
- YOU SEND IT ONCE
- YOU GET ONE SINGLE ANSWER BACK
- YOU GET RELEASE OF GOODS WITHIN MINUTES
- THERE IS ONE AGENCY AT BORDER WORKING FOR ALL
- YOU PAY ONLY ONCE PER MONTH
- YOU ALWAYS PAY CORRECT
- YOU NEVER GET PENALTIES
- YOU HAVE SAME TREATMENT EVERYWHERE
- YOU HAVE ONE SINGLE CONTACT IN GOVERNMENT

CAN IT BE DONE?



**EXISTS SINCE MORE  
THAN 15 YEARS**

**MORE THAN 1000 AGENCIES IN ONE  
DECISION MANAGED AUTOMATICALLY  
IN 95% OF THE CASES  
BASED ON AN AEO PLATFORM**



# The Stariway

1998-2000 Development

2000 Pilot

2001 Launch

- 12 months: 32 %

- 24 months: 44 %

2002 StairSec (security)

Today 68 % of flow is AEO

Sweden ranked #1 in WB DB

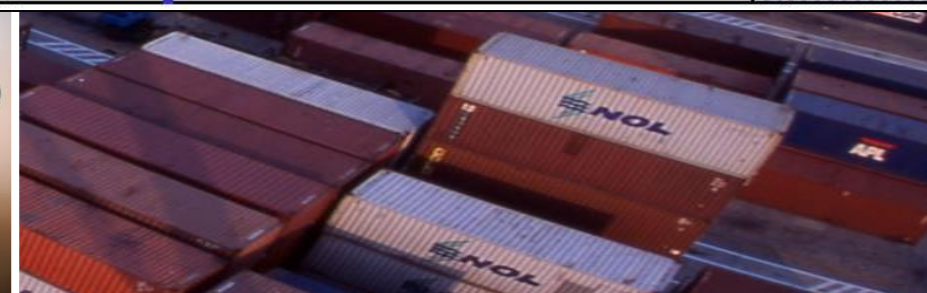
Goal/KPI:

To save 20 % of costs for business

Result: 47-63 % savings



The Stairway		
OPPORTUNITIES	REQUIREMENTS	Quality Prgm
<ul style="list-style-type: none"> <li>No interruptions in international flow of goods</li> </ul>	<ul style="list-style-type: none"> <li>Certification for internat. trade</li> </ul>	Operator's measures
<ul style="list-style-type: none"> <li>Fully automatic clearance</li> <li>No interruptions in flow of goods</li> <li>Certificate of Quality</li> </ul>	<ul style="list-style-type: none"> <li>All internat. routines regarding foreign trade certified for quality</li> <li>Customs ↔ Operator Agreement</li> </ul>	
<p><b>Certification of quality</b></p> <ul style="list-style-type: none"> <li>Interruptions in flow of goods only if routines are not quality assured</li> </ul>	<p><b>Certification of quality</b></p> <ul style="list-style-type: none"> <li>At least one customs routine quality certified</li> <li>Paperless declarations</li> </ul>	
<ul style="list-style-type: none"> <li>To be a credit holder</li> <li>Use of different customs procedures requiring permits</li> <li>Automatic clearance</li> </ul>	<ul style="list-style-type: none"> <li>Credit permit</li> <li>Relevant permits for the different customs procedures</li> <li>Permit to submit paperless declarations</li> </ul>	
<ul style="list-style-type: none"> <li>Import, export and transit</li> <li>Basic level of service</li> </ul>	<ul style="list-style-type: none"> <li>Declarations of acceptable quality</li> </ul>	Custom's measures



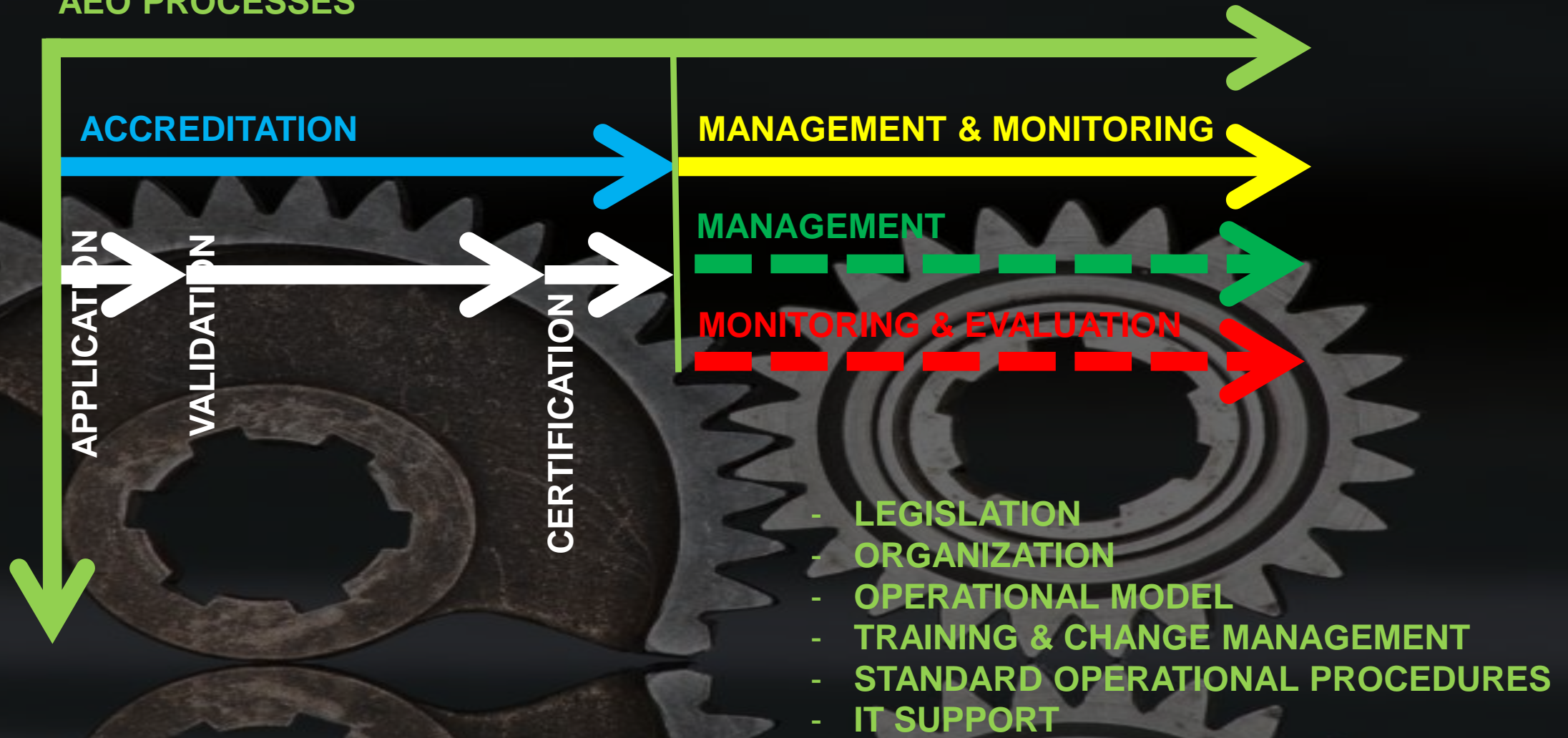
# UAE AEO - a Holistic Program

- ✓ Compliance & Security
- ✓ All modes of Transport
- ✓ All Procedures
- ✓ All Actors in the Supply Chain

## **10 AEO PRINCIPLES**

1. Voluntary partnership
2. Open for all stakeholders of the supply chain
3. Includes Compliance, Facilitation & Security/Safety
4. 100% electronic and paperless
5. Promotes Compliance Improvement (on both sides)
6. Provides real benefits for all partners
7. Consists of Validation AND Management/Monitoring
8. Developed for Single Government AEO Status AEO-SW) and for AEO-SMEs
9. Designed for Mutual Recognition
10. Includes comprehensive measurement and KPIs

## AEO PROCESSES



## SECOND WAVE OF BENEFITS

### ADDITIONAL ADVANTAGES

**Predictability**

**Speed**

Four types of benefits

**Cost**

**Service**



# PREDICTABILITY



# HOW TO GUARANTEE AEO SUCCESS ?



## KEY SUCCESS FACTORS

- Holistic integrated approach in design
- Early involvement of industry, find Ambassadors
- Get volumes early
- New skills and competencies required within Customs
- Project vs Operations Access (Operational Model)  
(Different staffing for project & pilot)
- New Risk Management Model for AEO
- Benefits outnumbering cost
- Change Management, Change Management
- IT and technology support needed, but
- Use Innovative solutions
- Continued development
- Structured communication strategy and effort

**Compliance/Security**

**All stakeholders**

**Solid processes**

**Good benefit package**

**National MRA Model**

**Innovative Programme**

**AEO/SW**

**SME**

**Single Government AEO**

**NEW  
PARADIGM**



“If you think compliance is expensive, try non-compliance.”

Deputy Attorney General  
Paul McNulty



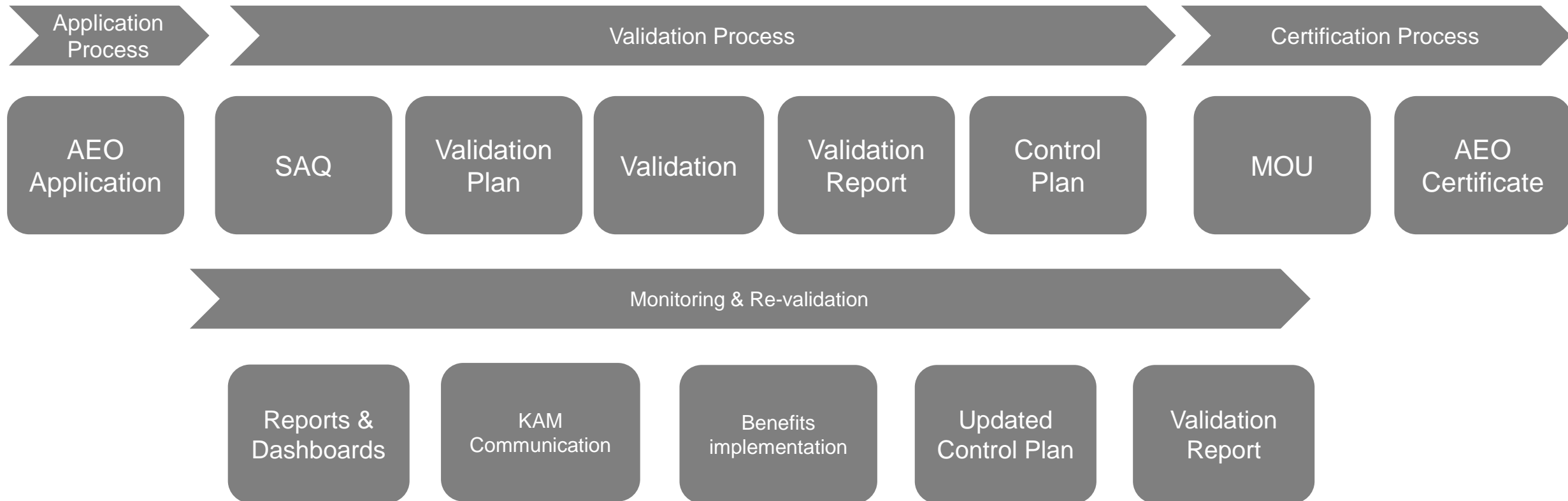


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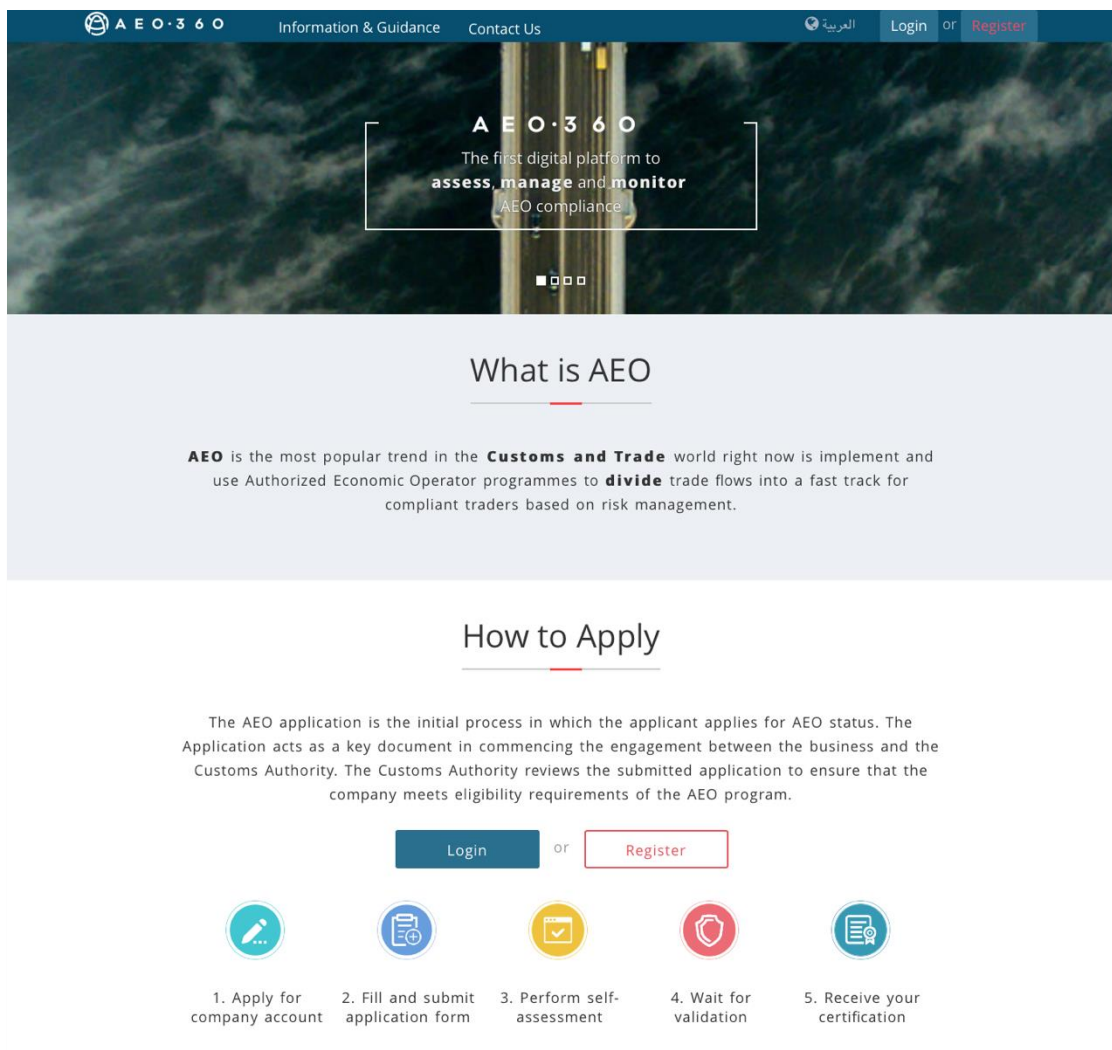
The digital platform for AEO

# AEO360 for Government

- Controls the full AEO Process
- Enables the creation and processing of AEO artefacts – application form , SAQ, validation plan, validation report etc...
- Holds a record of all activity and communication between Customs and Companies



# AEO Portal for companies



For Customs to **PROMOTE** and **EXPLAIN**:

- Information & Guidance
- AEO announcements from Customs
- Portal Registration

For AEO Applicants:

- AEO Application submission
- Self-Assessment questionnaire submission
- KAM communication
- MOU review and acceptance

For AEO Certified companies:

- AEO Dashboard
- Communication between Customs and the AEO company throughout continuous monitoring and Re-validation

# AEO Customs Management

## Application Review and Approval

The screenshot displays the 'AEO 360' application review interface. The top navigation bar includes the 'AEO 360' logo and a user profile 'zdm'. The left sidebar contains 'System Management', 'My Tasks', and 'Company List'. The main content area is titled 'AEO Application Detail' and includes tabs for 'Company Information', 'Application', 'Application History', and 'Document Management'. The 'Application' tab is active, showing the company name 'DTC Machinery' and the application number 'AEO\_1000000\_1'. Below this, there are buttons for 'Accept', 'Return', 'Reject', and 'Cancel'. The 'Company Details' section contains a table with the following information:

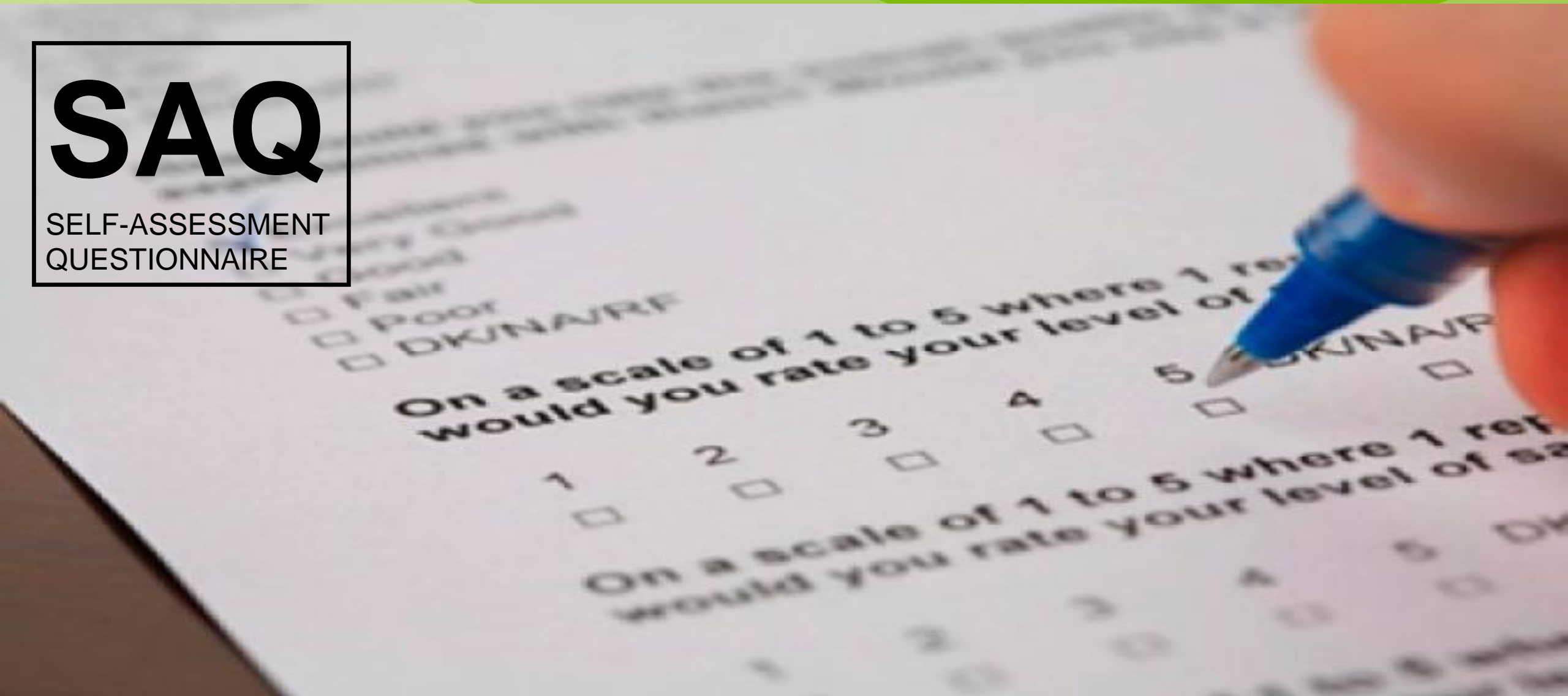
Full Legal Company Name:	DTC Machinery
Legal Form:	Limited Liability Company
Registered Address:	Algeria St
City:	Dubai
Country:	UAE
Postal Code:	PO Box 12345
Trade License Number:	T00001
Issuing Authority:	UAE
Trade License Registration Date:	2000-01-01
Trade License Expiry Date:	2020-12-31
Customs Business Code or Registration Number:	R00001
Date of Business Establishment:	2000-01-01
Company Structure/Organization:	
Phone number:	0987 123 456

- AEO application submitted online
- 2-stage approval process
- Accept or Reject application or return for correction

# Self Assessment

# SAQ

SELF-ASSESSMENT  
QUESTIONNAIRE



# Risk Assessment → Validation Plan → Validation Report

**Risk Assessment**

**Risk(s)** Select Standard Risk(s)

Lack of control over stock movements  
Lack of control over stock used in the manufacturing process

**Initial Risk Rating**

Likelihood **Possible** Consequence **Major** Risk Rating **High**

**Risk Consideration**

**Validation Plan**

**Validation Method**

☐ Confirmation by third parties or other agencies  
☒ Business internal control policy  
☐ Transaction walk through test  
☒ Verification of documents-reports and records  
☐ Internal Verification / Analysis  
☐ Inspection of (quality of) goods / inventory

☐ Inquiries / enquiries of appropriate personnel  
☐ Procedures  
☐ Previous visits  
☐ Analytical  
☐ Observations

**Activity**

Review Organisation structure

**KGH Border Services** AEO Application No.: AEO\_1000005\_1

**Schedule Validation Visits**

Date	Time	Address	Customs Attend
2018-03-18	09:00	Office 412, Building 6EA, DAFZ	Christer Anderson

**The Visit(s) will address**

☒ Solvency ☐ Compliance  
☒ Record Keeping ☐ Supply chain Security

Other:

**Validators would like to examine the following documents/information:**

**Create Email** **Cancel**

- SAQ is risk assessed and a validation plan is produced validation visits scheduled
- Validation notes and results recorded
- Supporting documents uploaded
- Validation Report generated from results
- Issue Management

# Certification

**AEO 360** العربية Barry Luke

ABC Exporters Contact: Barry Luke Home > Apply For AEO

AEO Application 1 → Self Assessment 2 → AEO Validation 3 → AEO Certification 4

**AEO Process**

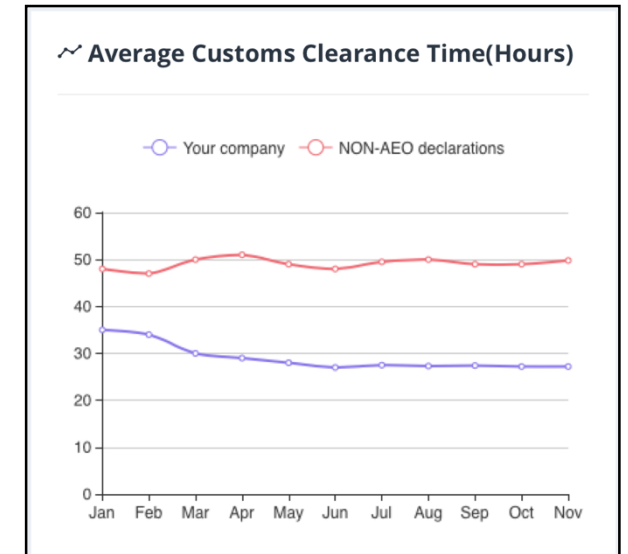
Your company is part of the [Customs] AEO Program. If you have any questions about the program, please contact us.

Application No.:	AEO_1000011_1
AEO Status:	<b>AEO Certified</b>
Last Updated:	2017-10-29 12:12:34
Related Forms:	<a href="#">AEO Application</a> <a href="#">SAQ</a> <a href="#">Validation Report</a>

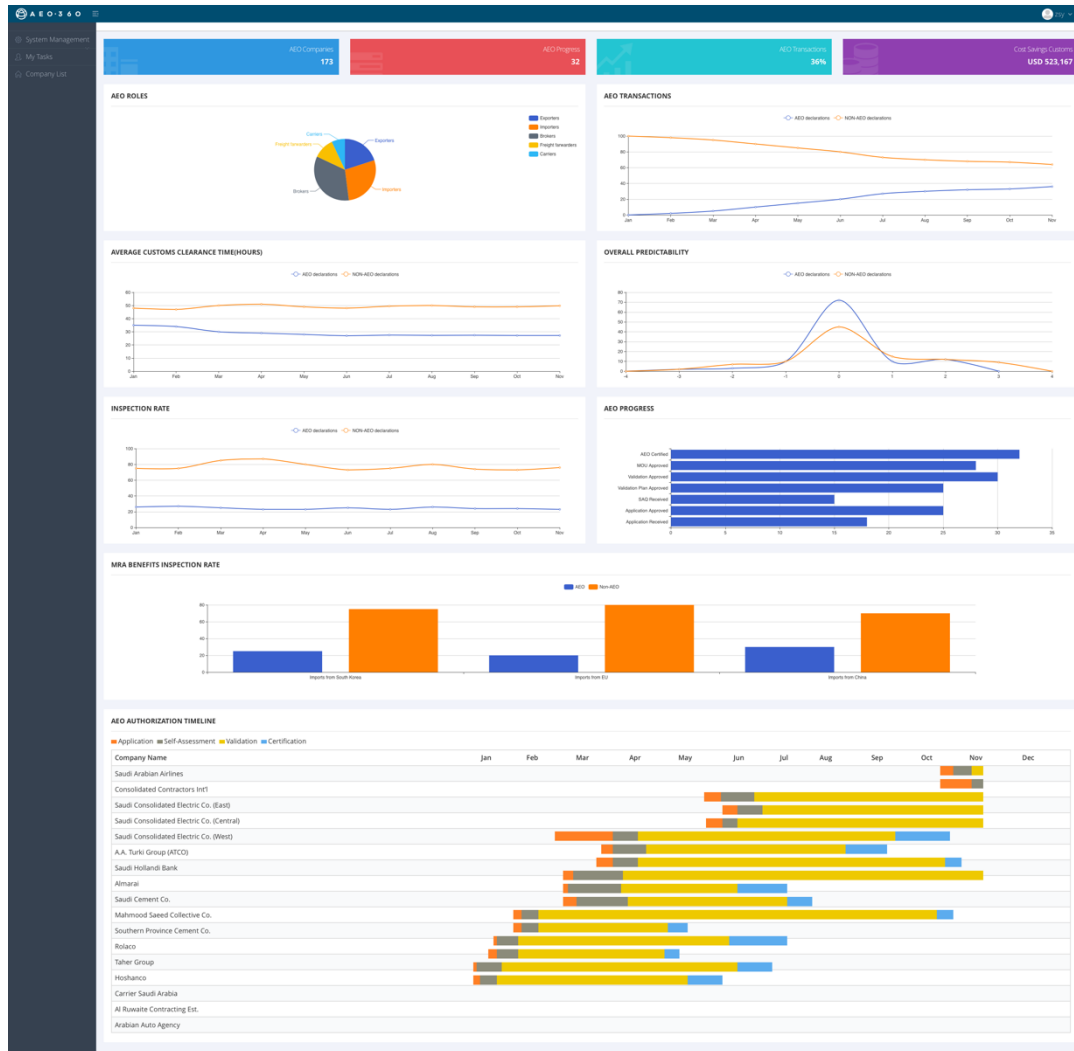
**Menu**

- AEO Application**
  - Track My Case
  - Application History
- Information & Guidance**
  - Introduction
  - AEO Benefit
  - Certification Process
  - List of Certified Companies
- Administration**
  - User Management
  - Company Management

- Detailed Control Plan created and approved
- MOU agreed
- Benefits are assigned
- AEO Certificate awarded
- Company informed in the Portal and by email and/or formal letter

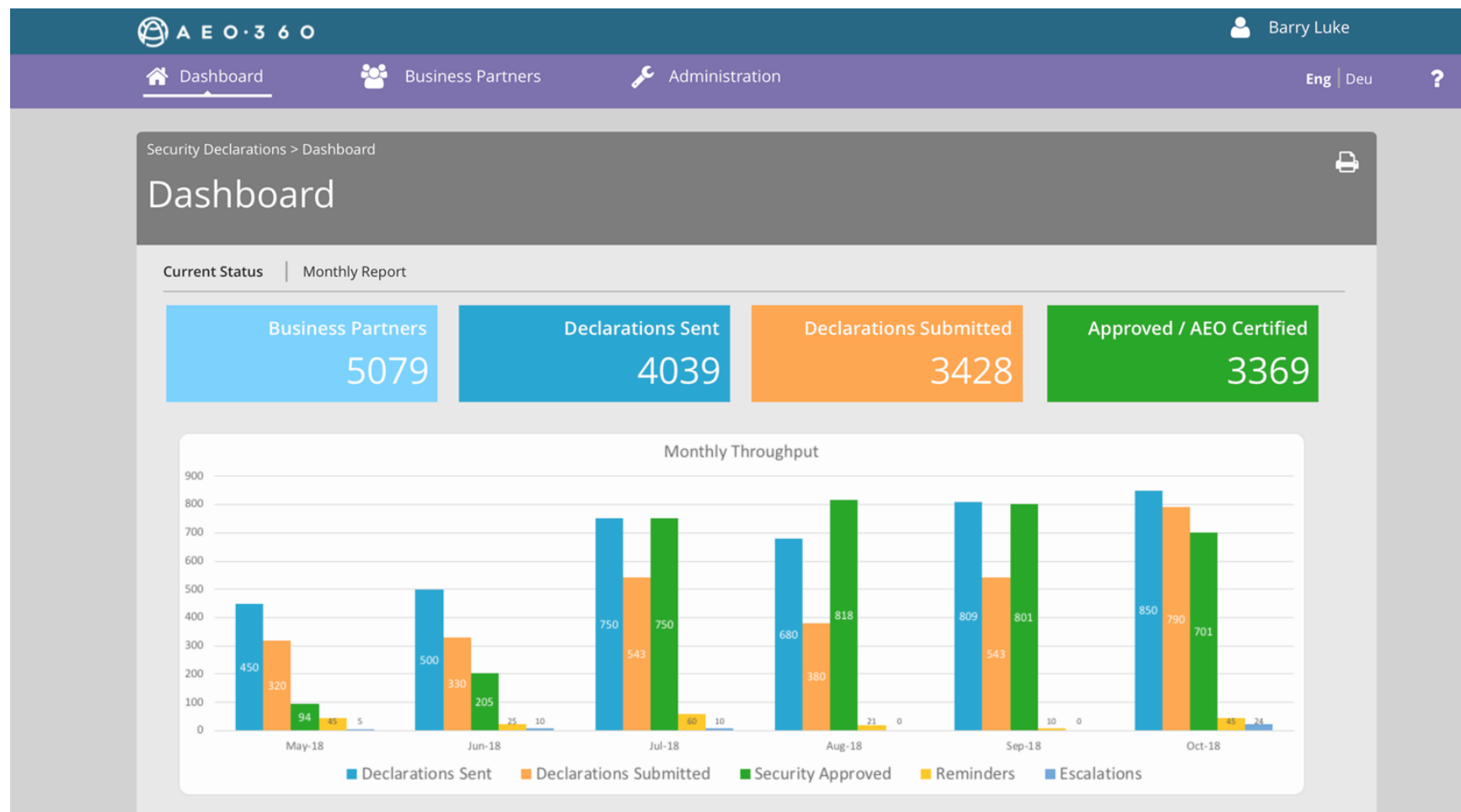


# Continuous monitoring and re-validation



- Integration with Customs systems and Single Window systems allows Customs to monitor company behaviour
- Companies can be revalidated periodically
- Customs Key Account Manager keeps track of the control plan
- Any issues arising can be recorded and a mitigation plan put in place
- Measurement of benefits is available to Customs and the company

# AEO360 for Business Validation and Monitoring Service for AEO Companies



## AEO360 for Business is a software service provided by KGH Customs Services

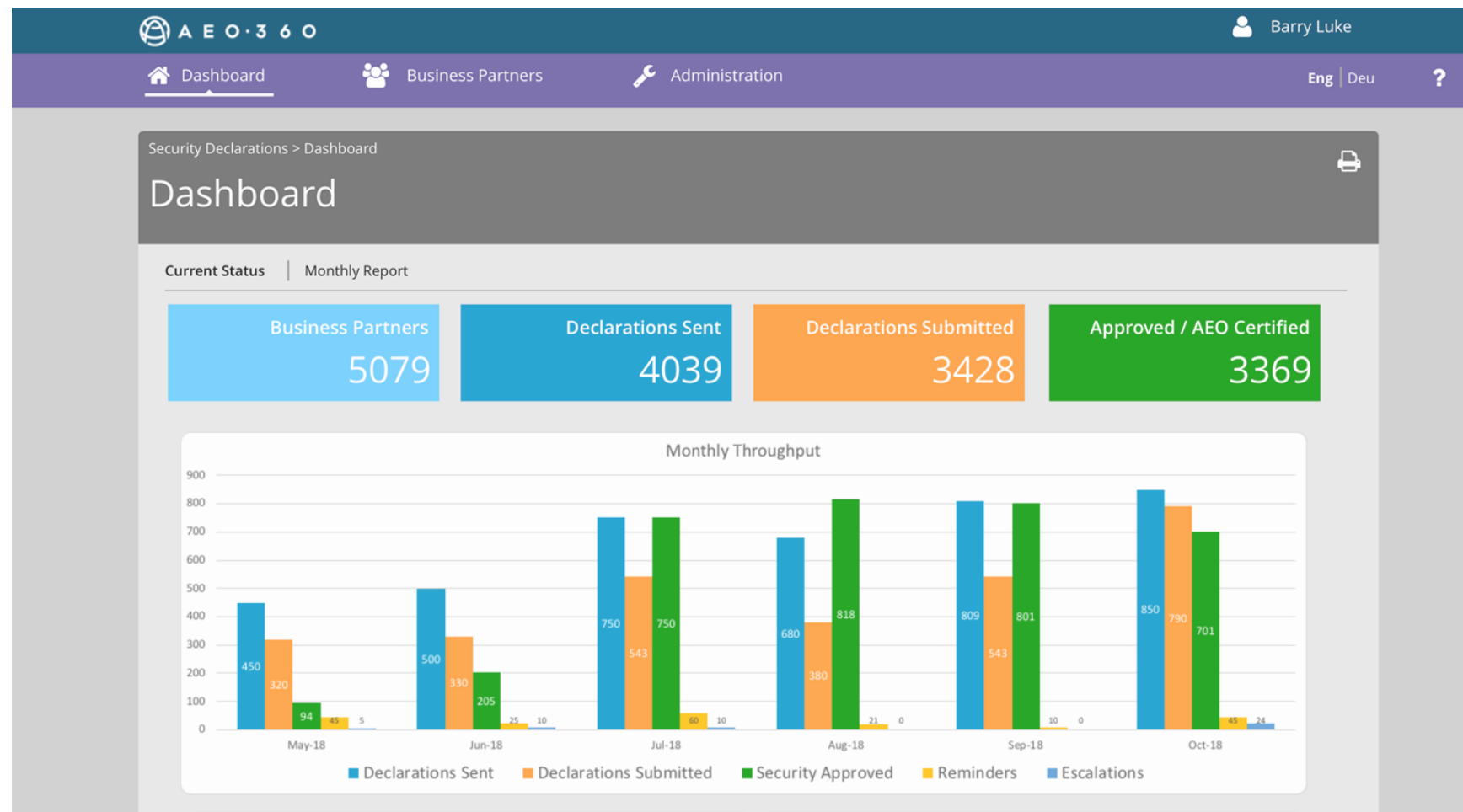
Designed to guide companies through the AEO Validation process and, once they are certified, help them maintain their AEO status

AEO360  
for Business

Validation and  
Monitoring Service  
for AEO  
Companies



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- Store and organise information during the AEO validation process
- Maintain that information after AEO certification and submit regular reports to Customs

## AEO360 for Business

## AEO Information and Reporting



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### Self-Assessment Questionnaire

[View Progress](#)[Export PDF](#)

[COMPANY INFORMATION](#)[FINANCIAL VIABILITY](#)[TRADE COMPLIANCE](#)[RECORD KEEPING](#)[CONTROL ENVIRONMENT](#)[SUPPLY CHAIN PROCESS](#)[SECURITY REQUIREMENTS](#)

#### SUPPLY CHAIN PROCESS

**1.Transport of goods** ☐ Ready for Review

Does your business have procedures (documented or otherwise) in place to ensure the integrity of the transport process and transport data?  
If yes, please describe these procedures covering the areas mentioned below.

☐ Yes  
☐ No

**Explanatory Notes**

Control measures must be in place to ensure the integrity of processes and data relevant to the transportation, handling, and storage of goods in the international supply chain.

Generally the procedures for the transport of goods concern:

- Planning;
- Procedures for receiving/loading, release/unloading;
- Arrangements with business partners to check the seals (integrity and numbers) when the goods arrive at their premises;
- Procedures for mismatches/incidents;
- Use of track-and-trace technology can show unusual stops or delays which could have affected the goods (replacement, remove);
- Procedures for the selection of carriers/freight forwarders;

**Comments**

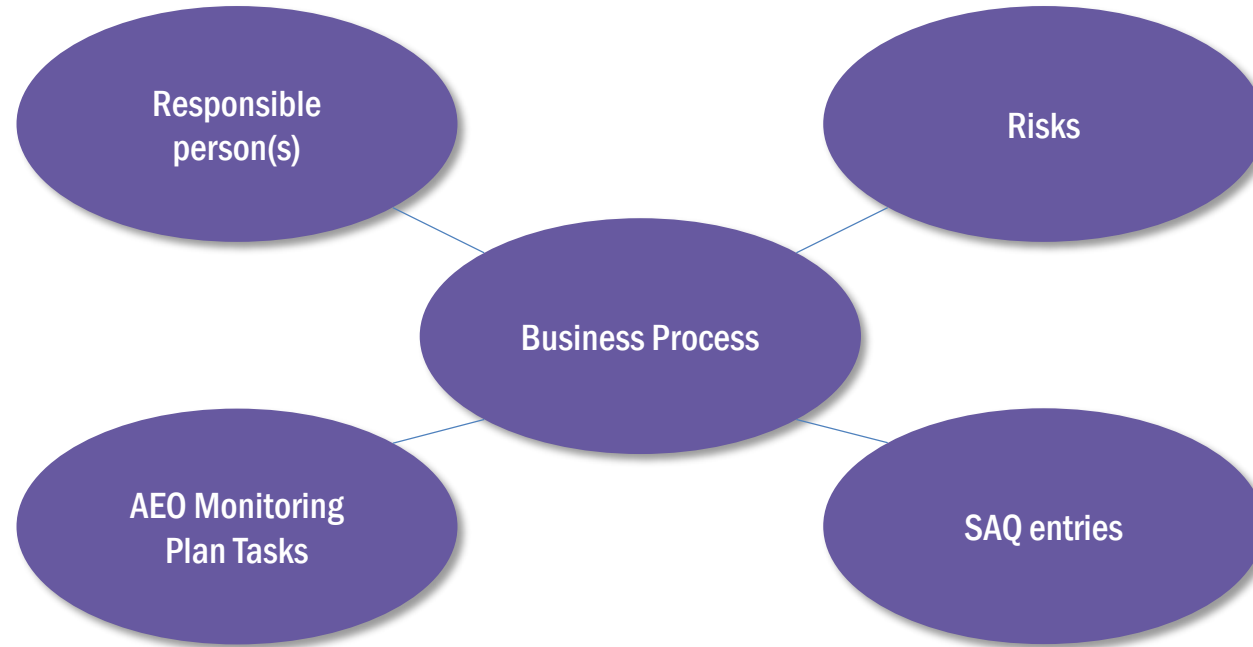
Comment

**AEO information** stored in the system is organised around the AEO Self Assessment Questionnaire (SAQ), configured based on Customs Administration requirements

Information is version controlled and companies can create new revisions of the AEO report for Customs

## AEO360 for Business

### Compliance Matrix



AEO information is arranged in a 'compliance matrix', linking business areas or processes to people with responsibility / risks / monitoring plan tasks and SAQ entries



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AEO360  
for Business

## Business Partner Security Declarations



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**AEO360 Security Declarations** Frank Herbert

[Security Declaration](#) [Contact](#)

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Security Declaration

Company  
TDK EUROPE GMBH  
KGH Reference  
BSD-1802-00002

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**Security Declaration  
for Authorised Economic Operators  
AEO**

Our Reference

BSD-1802-00002

Name (Company)

TDK EUROPE GMBH

Street Address

22 Haferweg

Postal Code / City

65598 Hamburg

Country

DE

Phone

+49 162 34 56 223

e-mail

frank.herbert@tdk.de

☐ I hereby declare that:

- goods, which are produced, stored, forwarded or carried by order of **Robert Bosch GmbH / subsidiaries of Robert Bosch GmbH**, which are delivered to **Robert Bosch GmbH / subsidiaries of Robert Bosch GmbH** or which are taken for delivery from **Robert Bosch GmbH / subsidiaries of Robert Bosch GmbH**
  - are produced, stored, prepared and loaded in secure business premises and secure loading and shipping areas
  - are protected against unauthorised interference during production, storage, preparation, loading and transport
- reliable staff are employed for the production, storage, preparation, loading and transport of these goods
- business partners who are acting on my behalf are informed that they also need to ensure the supply chain security as mentioned above.

We undertake to check our employees against the EU sanctions lists (e.g. regulation (EG) 2580/2001, 881/2002 and 753/2011).

This declaration was issued to Robert Bosch GmbH and concerned subsidiaries of Robert Bosch GmbH Robert.

Name of Authorised Signatory

Herr Frank Herbert

Position

Submit

With AEO360, an AEO company can monitor the security and safety standards of their supply chain business partners and collect Security Declarations



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The digital platform for AEO

# Thank you

If you have any questions about AE0360 please visit our exhibition stand:

## Booth 13 KGH Border Services

or contact us at:

 [www.kghborders.com](http://www.kghborders.com)

 [borderservices@kghcustoms.com](mailto:borderservices@kghcustoms.com)

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[barry.luke@kghcustoms.com](mailto:barry.luke@kghcustoms.com)