

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
CENTRAL BOARD OF REVENUE**

Islamabad, the 18th June, 2001

**NOTIFICATION
(CUSTOMS)**

S.R.O. 450(I)/2001.-¹[In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to make the following rules, namely:-]

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²[**Chapter XXXII
Authorized Economic Operator Rules**

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752. Monitoring.-AEO section shall issue a letter to the monitoring officer twelve months after the AEO status was granted and thereafter every twenty months requesting submission of the monitoring report.

- (2) The monitoring shall include the following, namely:-
- (i) a walkthrough of the operator's premises to check that the safety and security procedures examined at evaluation stage are still in place and are being implemented;
 - (ii) specific risks identified during the evaluation and included in the set of conditions should be checked periodically to ensure they are being adhered to;
 - (iii) a random sample of the operator's Good Declarations (GDs) should be checked for quality and accuracy of data declared on a periodic basis, having regard to the size, type of business, the volume of GDs being submitted and the range of goods being handled;
 - (iv) the operator's general tax compliance should be checked to ensure that there are no financial solvency issues;
 - (v) reports of any audits, assurance checks or aspect enquiries carried out on the operator should be checked for any issues that might affect the operators AEO status;
 - (vi) findings of monitoring actions undertaken should be submitted to Director AEO in the form of a report by the AEO Team;
 - (vii) intimation by the operator of any issues that may affect their AEO status should be investigated, followed by appropriate action; and
 - (viii) If the operator was established for less than three years at the time the initial evaluation was carried out, the monitoring should be more intensive during the first twelve months of the authorization.

Annexure-A

¹ Existing preamble substituted and shall be deemed always to have been so substituted vide SRO 831(I)/2018 dated 2nd July, 2018. At the time of substitution was as under:-
"In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Central Board of Revenue is pleased to make the following rules, namely:--"

² Added vide SRO 1114(I)/2020 dated 26th October, 2020

APPLICATION FORM FOR GRANT OF AEO STATUS**(Contains ten annexures A, B, C, D, E.1 to E.5 and F)****(Please fill-up the annexures as may be applicable to the applicant)****(Applicable for grant of Gold, Platinum, and Silver)**

1.	Name of Company / Economic Operator:
2.	Category of business entity: (i.e. importer / exporter / Logistic Service Provider/ Custodian or Terminal Operator/ Customs Broker/ Warehouse Operator)
3.	Whether already AEO certified? (If yes, annex copy of certificate and furnish following:) 1. Identification number/code: 2. Issued on: 3. Valid upto:
4.	Address: (If there are more than one site/ location, a separate list should be attached for all sites/ locations)
5(a).	Contact person:*
5(b).	Designation:
5(c).	Phone number:
5(d).	Mobile No.:
5(e).	Fax No.:
5(f).	Email address:
6.	Company's NTN:
7.	Company's STRN:
8.	List of sites, under control, where import /export goods are handled, e.g. packed / unpacked / loaded / unloaded / consolidated etc. in the course of supply to/from international supply chain. Please include site address, phone number and contact person. (A separate list can be attached)
9(a).	Major Items of import (in case of importers):
9(b).	Main countries of import (in case of importers):
9(c).	Major Items of export (in case of exporters):
9(d).	Main countries of export (in case of exporters):
10.	Number of import documents filed during the preceding financial year (in case of importers):
11.	Number of export documents filed during the preceding financial year (in case of importers):
12.	Whether the business entity falls under the category of micro, small or medium enterprise (yes/no) (if yes, annex copy of evidence):

Signature:

Place: Full Name:

Date: Position in Company:

*The applicant should nominate a readily accessible central point of contact person (who should be a senior management official within the administration of the applicant) in order to make available to the Director AEO or to any officer authorized by the Director AEO all the information necessary for the proving compliance with the requirements for issuing the AEO certificate.

Annexure-B**(Applicable for grant of Gold, Platinum, and Silver)**

SECURITY PLAN

The economic operator wishing to participate in the AEO Programme shall submit to Customs a security plan documenting the policies, processes and procedures that it has in place to ensure that goods for export/import are packed at a secure premise/facility, accurately accounted for and transported securely to the point of export/import from the point of origin.

The security plan must detail the company's written and verifiable policies, processes, procedures etc., in respect of the following:

1. Procedural-security.
2. Document security.
3. Physical security.
4. Access controls.
5. Personnel security.
6. Training and skill upgradation.
7. Compliance with other Government security related requirements, it ☐ any.

Annexure-C

[see rule 743(2)]

(Applicable for grant of Gold, Platinum, and Silver)

PROCESS MAP

Process map should illustrate the flow of goods and documentation/ information from receipt of order to the point of export/delivery/receipt of the product.

It should describe all the activities/ operations and role of the applicant and that of other business partners who are involved in the import-export supply chain in any manner.

Annexure-D

[see rule 743(2)]

(Applicable for grant of Gold, Platinum, and Silver)

SITE PLAN

The site plan should cover the whole area managed by the company, clearly illustrating the following (if present):

1. The external perimeter of the area, including features such as boundary roads, railway lines, streams/rivers, neighboring properties.
2. All access points to the site (e.g. vehicle, rail and pedestrian entrances) with traffic flows.
3. All buildings identified with access ways (e.g. administration office, export/import storage areas, export/import packing areas, export container movement).
4. Internal and/or external lighting facilities that contribute to security.
5. Other security features (e.g. CCTV, electronic access gates).
6. Visitor, contractor and company personnel parking areas.
7. Perimeter fences with description (e.g. 2-metre high security fence).
8. Areas used for container storage.

Note: Site plan should be submitted with respect to all the sites of the entity.

Annexure-E

[see rule 743(2)]

SELF-ASSESSMENT FORM**Annexure - E.1 General Compliance****(Applicable for grant of Gold, Platinum, and Silver)**

E.1	Compliance	Yes	No	Remarks
(a)	Whether having Customs and/ or other Departments' license/ certificate with respect to category of AEO application? Copy of the same may be provided.			
(b)	Whether having other Customs, Income Tax, Sales Tax, Services Sales Tax and other Department's licenses/ registration/ certificates? If yes, copies of these may be provided.			
(c)	Type of business entity: Whether Proprietorship Firm, Partnership Firm, Public or Private Limited Company etc.? Copy of the concerned registration etc, may be provided.			
(d)	Whether your entity is established in Pakistan? If yes, please provide evidence in Remarks column which may include: 4. (iv) A certificate of registration issued by the Registrar of Companies. 5. (v) Type of business entity, whether Proprietorship Firm, Partnership Firm, Public or Private Limited Company and in that case the details of the Proprietor, Partners and Directors as the case may be should be provided along with the details of Company Secretary. (vi) 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. (vii) Proof that the business has its own accounts.			
(e)	Whether your entity has business activities for at least three financial years preceding the date of application?			
(f)	Whether you have filed or handled at least 25 documents i.e. goods declarations, with the Customs Authorities during the last financial year. A summary sheet may be provided.			
(g)	Whether the applicant has ever been convicted of a criminal offence? If so complete details of the same should be submitted.			

Note:

1. The Self-Assessment can be carried out by the applicant themselves or through a third party having expertise.
2. If some points are not applicable, these should be mentioned in the 'Remarks' column with reason thereof.

Annexure-E.2 Legal Compliance

[see rule 743(2)]

(Applicable for grant of Gold, Platinum, and Silver)

E.2	Compliance	Yes	No	Remarks
(a)	Whether there is any cases of infringement of Customs Laws by any of the following persons over the three financial years preceding the submission of the application: (i) The applicant;			

	(ii) The person in charge of the applicant company or exercising control over its management; (iii) The person in-charge of dealing with customs related matters If yes, please indicate the details of the cases. Further, submit details related to volume of the customs related operations in ‘Remarks’ column.			
(b)	Whether any amount has been adjudged during last three financial years involving fraud, forgery, outright smuggling, clandestine removal of goods or cases where incidence of duty/taxes has been passed on to the customers but not deposited in to the Government treasury. If yes, please indicate the details in ‘Remarks’ column.			
(c)	Whether there is any case against you wherein prosecution has been launched? If yes, please indicate the details in ‘Remarks’ column.			
(d)	i. What is the amount of disputed-duty demanded or recovery of drawback paid in excess or sought to be denied, in all the adjudged cases under the Customs Act, 1969 during the last three financial years? ii. What is the total duty paid and drawback claimed during the preceding three financial years? iii. What is the ratio of the disputed duty amount involved in the adjudged cases to the total duty paid/ drawback claimed during the preceding three years?			
(e)	i. Whether procedures are in place to identify and disclose any irregularities or errors to the Customs authorities or, where appropriate, other regulatory bodies? If yes, enclose evidence in support of this. ii. Whether system is in place to take appropriate remedial action when irregularities or errors are identified? If yes, enclose evidence in support of this.			

Annexure E.3

[see rule 743(2)]

Managing commercial and (where appropriate) transport records (Applicable for grant of Gold, Platinum, and Silver)

E.3	Compliance	Yes	No	Remarks
(a)	Whether maintaining an accounting system consistent with Generally Accepted Accounting Principles (GAAP) / International Financial Reporting Standards (IFRS) which facilitates audit-based Customs control?			
(b)	Whether there is an 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?			
(c)	Wherever applicable, have satisfactory procedures in place for the handling of licenses and authorizations connected to export/import?			
(d)	Whether having satisfactory procedures in place for archiving of the company's records and information, and also for protection against the loss of information?			
(e)	Whether there is a system to ensure 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?			

(f)	Whether there is a satisfactory procedure for verifying the accuracy of Customs declarations?			
(g)	Whether there is an appropriate information technology security measures to protect the applicant's computer system from unauthorized intrusion and to secure the applicant's documentation?			

Note: The applicant should enclose appropriate documentary evidences in support of above claims.

Annexure E.4 Financial Solvency

[see rule 743(2)]

(Applicable for grant of Gold, Platinum, and Silver)

E.4	Compliance	Yes	No	Remarks
(a)	Whether the applicant has been financially solvent during the three financial years preceding the date of application? (Solvency would generally be defined as good financial standing that is sufficient to fulfill the commitments of the applicant including ability to pay duties) Please attach Balance Sheets for last three Financial Years.			
(b)	Whether, where required, the accounts have been filed with Registrar of Companies within the time limits laid down by law?			
(c)	Whether, where applicable, audit qualifications or comments in the annual accounts about the continuation of the business as a going concern?			
(d)	Whether there are any contingent liabilities or provisions?			
(e)	Whether the net current assets are positive?			
(f)	Whether the entity has been defaulted in payment of due taxes during the past three years?			
(g)	Whether there is solvency certificate issued by the Statutory Auditor? If yes, provide the copy.			
(h)	Whether the business entity is currently listed as insolvent, or in liquidation or bankruptcy?			

Annexure E.5 Safety and Security

[see rule 743(2)]

(Contains seven parts E.5.1 to E.5.7)

(Applicable for grant of Gold, Platinum, and Silver)

(Note: The applicant should enclose appropriate documentary evidences in support of their claims under this section)

E.5.1	Compliance	Yes	No	Remarks
(a)	i. Whether there is a security policy and procedure manual which contains 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? ii. Whether there is any laid down procedures and manual which stipulates how seals are to be controlled and affixed to cargo and transport conveyances?			
(b)	Whether security measures are in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain.			
(c)	Whether there is proper documentation of management procedure 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?			

(d)	Whether there is a procedure 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?			
(e)	Whether procedure are in place to ensure that: 1. Import / Export cargo are reconciled against the information on the bill of lading? 2. The weights, labels, marks and piece count of the import/export cargo are accurately indicated? 3. Import/export cargo are verified against purchase/delivery orders? 4. Drivers delivering or receiving cargo are positively identified before cargo is received or released?			
	Whether all shortages, overages, and other significant discrepancies or anomalies are resolved and/or investigated appropriately?			
E.5.2	Compliance	Yes	No	Remarks
(a)	Whether building is fully secured against unlawful entry?			
(b)	Whether all external and internal gates, fences and windows are fully secured with locking devices or alternative access monitoring or control measures?			
(c)	Whether the issuance of locks and keys is controlled by management or authorized personnel only?			
(d)	Whether adequate internal and external lighting have been provided especially for entrances and exits, cargo handling and storage areas, fence lines and parking areas?			
(e)	Whether gates through which vehicles and/or personnel enter/exit have been manned, monitored or otherwise controlled?			
(f)	Whether vehicles accessing restricted areas are parked in approved area and their license plate numbers furnished to Customs upon request?			
(g)	Whether only properly identified and authorized persons, vehicles and goods are permitted access?			
(h)	Whether access to document or cargo storage areas is restricted?			
(i)	Whether there are appropriate security systems for access control?			
(j)	Whether restricted areas have been clearly identified?			
(k)	Whether the integrity of structures and systems is periodically inspected?			
(l)	Whether perimeter fencing exists for enclosing the areas around cargo handling and storage facilities?			
(m)	Whether interior fencing exists within a cargo handling structure to segregate domestic, international, high value and hazardous cargo.			
(n)	Whether the number of gates is kept to the minimum necessary for proper access and safety?			
(o)	Whether unauthorized vehicles are prohibited from parking in or adjacent to cargo handling and storage areas?			
E.5.3	Compliance	Yes	No	Remarks
(a)	Whether only properly identified and authorized persons have access to the cargo?			
(b)	Whether integrity of cargo is ensured by permanent monitoring or keeping in a safe, locked area?			
(c)	Whether all seals meet the required seal standards prescribed by customs for high security seals especially with maritime containerized cargo?			
(d)	In cases of air consignments/courier consignments where it is not possible to procure and use PAS / ISO 17712 seals, whether any international seal compatible with standards of PAS/ISO 17712 is being used?			
(e)	Whether the integrity of container seals are being checked by the authorized person by following			

	the procedure prescribed in the security policy manual of the company?			
(f)	Whether only authorized personnel distribute container seals and safeguard their appropriate and legitimate use?			
(g)	Whether the seven-point inspection process is carried out in respect of containers before stuffing of cargo therein? (These seven points include: Front wall, Left side, Right side, Floor, Ceiling/Roof, Inside/outside doors, Outside/undercarriage.)			
(h)	Whether it is possible to deliver goods to an Unsupervised area?			
(i)	Whether appropriate procedures have been laid down on measures to be taken when an unauthorized access or tampering is discovered.			
(j)	Whether goods are uniformly marked or stored in designated areas only?			
(k)	Whether appropriate procedures exist to weigh / tally the goods and compare them against transport documents, purchase/sales orders and Customs papers?			
(l)	Whether appropriate procedures exist to weigh / tally the goods and compare them against transport documents, purchase/sales orders and Customs papers?			
E.5.4 Compliance		Yes	No	Remarks
(a)	Whether, to the extent possible, all conveyances used for the transportation of cargo within the supply chain are capable of being effectively secured?			
(b)	Whether, to the extent possible, 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?			
(c)	Whether all operators are required to report actual or suspicious incident to designated security department staff of the applicant company as well as to maintain records of these reports, which should be available to the AEO Programme Team and the Customs?			
(d)	Whether potential places of concealment of illegal goods on conveyances are regularly inspected? (Such places include all internal and external compartments & panels.)			
(e)	Whether the transporters are required to maintain the conveyance integrity while it is en-route transporting cargo to export/import points or import/transit containers by utilizing a tracking and monitoring activity log or records?			
(f)	Whether pre-determined routes are identified by the dispatcher?			
(g)	Whether procedures are in place for random route checks, and for documenting and verifying the length of time between the loading point/trailer pickup and the delivery destinations?			
(h)	Whether there is a system to ensure that the drivers notify the dispatcher of any route delays due to weather, traffic and/or rerouting?			
(i)	Whether the management of transporters is required to perform a documented, periodic and random verification process to ensure that the logs are maintained and conveyance tracking and monitoring procedures are being followed and enforced?			
E.5.5 Compliance		Yes	No	Remarks
(a)	Whether all reasonable precautions have been taken when recruiting new staff to verify that they are not previously convicted of security-related, Customs or other criminal offences?			
(b)	Whether periodic background checks are conducted on employees working in security sensitive positions?			
(c)	Whether employee identification procedures require all employees to carry proper identification that uniquely identifies the employee and organization?			
(d)	Whether procedures are in place to identify, record and deal with unauthorized or unidentified persons, such as photo identification and sign-in registers for visitors etc at all points of entry?			

(e)	Whether procedures are in place to expeditiously remove identification and access to premises and information for employees whose employment is terminated?			
E.5.6 Compliance		Yes	No	Remarks
(a)	Whether the applicant has 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 selection of business partners?			
(b)	For AEO business partners, whether the applicant has obtained the copies of their AEO certificate?			
(c)	For non-AEO business partners, whether the applicant has obtained written confirmation from them that they meet AEO equivalent security criteria? The applicant may obtain one or more of the following written documents from such business partners for demonstrating their compliance with security criteria? i. Contractual document ii. A completed self-assessment security questionnaire from the applicant. iii. A written statement from the business partner demonstrating their compliance with AEO security criteria. iv. Senior business partner officer attesting to compliance. v. Documents from the business partners demonstrating their compliance with and equivalent and accredited security program administered by a foreign Customs authority.			
(d)	Whether a system exists to encourage other concerned business entities/trading partners to assess and enhance supply chain security?			
(e)	Whether a system is in place for periodic reviews of business partner's processes and facilities based on risk, and maintenance of security standards by the business partners is as required by the applicant?			
E.5.7 Compliance		Yes	No	Remarks
(a)	Whether the applicant has established and maintained a threat awareness program for employees to foster awareness of the threat at each point in the supply chain?			
(b)	Whether employees of the applicant are aware of the procedures which are in place to address a situation and how to report it?			
(c)	Whether specific trainings are offered to assist employees for maintaining cargo integrity, recognizing internal conspiracies and protecting access controls?			
(d)	Whether supply chain security trainings 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.			
(e)	Whether the records of security training are maintained and are available for verification by the AEO Team and Customs.			

Annexure F Business Partners Details

[see rule 743(2)]

(Applicable for grant of Platinum only)

Please furnish list of all the business partners of the applicant, who are in any manner involved in the international supply chain, as under:

Sr. No.	Name and address	Nature of business (Logistics Service providers, Custodians/ Terminal operators, Customs Brokers or Warehouse operators)	Whether holder of AEO certificate (Yes/No)]
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