

**//State of Qatar Logo//**  
**General Authority of Customs**  
**State of Qatar**



**Authorized Economic Operator Program  
Manual.**

**AUTHORIZED ECONOMIC OPERATOR**

**Operations management and risk analysis  
Facilitation and Commitment Section**

**2019**

## Index

| Number | Subject   | Page Number |
|--------|---|-------------|
| 1      | General concepts and definitions.   | 3           |
| 2      | First: Program introduction.  | 5           |
| 3      | Second: Program goals.  | 5           |
| 4      | Third: Privileges granted through the program.  | 5           |
| 5      | Forth: Beneficiaries.   | 6           |
| 6      | Fifth: Conditions for submitting applications to join the program by the authorities Candidate.   | 6           |
| 7      | Sixth: Terms of admission for joining the program.  | 7           |
| 8      | Seventh: Verification mechanisms.   | 7           |
| 9      | a. Customs requirements   | 8           |
| 10     | b. Safety and security requirements   | 8           |
| 11     | c. Financial verification procedures  | 9           |
| 12     | d. Authenticating a satisfactory system and accepted by the General Authority of Customs for managing and keeping business records.                   | 9           |
| 13     | Eighth: Field/External audit.   | 9           |
| 14     | a. Commitment Assessment Team.  | 9           |
| 15     | b. Stages of field/ external assessment.  | 10          |
| 16     | c. Calculating the commitment measures.   | 11          |
| 17     | Ninth: Prior disclosure   | 11          |
| 18     | Tenth: Temporary suspension criteria, Final write-off criteria.   | 12          |
| 19     | Eleventh: Commitment improving plan.  | 13          |
| 20     | <b>Annex (1):</b> clause 7 of Article 7: Release and clearance of goods from Bali Trade Facilitation Agreement (in both languages Arabic and English) | 14          |
| 21     | <b>Annex (2):</b> Application for joining to the Authorized economic operator program (The Request- self assessment questionnaire.)                   | 16          |
| 22     | <b>Annex (3):</b> Evaluation team verification list.  | 29          |

## General concepts and definitions.

**Authorized Economic Operator** - Each party participating in the international trade supply chain is trusted by the General Authority of customs, meets a range of conditions and requirements and internationally accredited safety and security standards.

**Authorized Economic Operator program** - Is an initiative to build and develop partnerships and cooperation with the private sector, consisting of an integrated system of specific steps and procedures undertaken by a commitment assessment specialized team to verify the fulfilment of the program requirements under which facilities and privileges are granted for the companies that meet these requirements.

**Field/ External Audit** - Is that a competent and qualified team of general Authority of customs employees that arrange and coordinate with the concerned company to visit its site in order to verify that it meets the requirements of the program and to ensure the validity of its commitment with customs legislation and other relevant regulations to measure its commitment.

**Commitment Assessment Team** - Is the team in charge of conducting the field/external audit referred to above.

**Voluntary commitment** - Is the applying of the company to voluntary join the Authorized economic operator program, aiming to reach an acceptable level of compliance with the requirements of the program in order to take advantage to the facilities granted through this program.

**Opening meeting** - Is the meeting in which the commitment evaluation team holds with representatives of the company applied to join the authorized economic operator program at the company's site and before the date of field/ external audit to receive the required Information and shown in the verification lists, and to inform the company of records, restrictions and documents to be provided and any other requirements as well as the time given to the company to submit with the required documents to set an appointment to conduct field/ external audits, and to assign liaison officers from both parties.

**Final meeting** - Is the meeting of the commitment evaluation team with representatives of the company that has been subject to field/ External audit after the full completion of the team's work of auditing to inform the company representatives of the results final reached as well as agreement on a plan to improve the commitment (if necessary).

**The scope of commitment measuring** - Is the customs, financial and procedural scope related to the company's internal system of procedure to be examined In order to ensure the genuineness of the commitment. This area includes verification of customs and Financial requirements (financial statements- budget - accounting procedures), records entries & keeping principles and Safety & security requirements.

**Follows: General concepts and definitions.**

**Commitment improvement plan** - These are the proposed actions to be carried out within a specific time frame to improve and develop the company's performance and promote it to achieve acceptable commitment with customs legislations and regulations in force, And to activate this self-censorship of the company, according to the approved checklists.

**Prior disclosure** – is the voluntary submission of information about the company in financial, customs and legal matters to the relevant authority in this regard in customs and by the right, transparent and clear way, including any mistakes, customs transgressions or irregularities by the applicant's institutions for the authorized economic operator program before starting field audit procedures.

**Prior disclosure assessment team** - Is the team in charge of studying the documents and papers submitted by the company wishing to prior disclose of any transgressions or irregularities, and the same team may be a commitment evaluation team.

**Disclosure period** - the period of time set by the prior disclosure evaluation team for the company to be audited for the disclosure to be acceptable.

**Check lists** - These are the specific steps and procedures within the scopes of company's commitment inspection that are verified by the commitment assessment team on which the company can refer to for self-assessment or when implementing a commitment improving plan.

### **First: Program Introduction.**

The Authorized Economic Operator Program is a national program provided by the General Authority of Customs with the aim of granting facilities and benefits to the participating parties in the supply chain of international trade that proves its commitment with the internationally approved conditions, requirements and standards of safety and security.

### **Second: Program Goals.**

The Authorized economic operator program comes within the framework of the General Authority of Customs efforts to apply the international standards of safety and security. It is provided for under the framework of the World Customs Organization Standards for the security and facilitation of the supply chain in international trade, in addition to the fulfillment of the commitment provided for in the Bali Trade Facilitation Agreement of the World Trade Organization (Annex 1), The mentioned program aims to achieve the following, on the security, economic and customs levels:

1. Promote the establishment and circulation of the principle of voluntary commitment to all sectors dealing with customs, whether in direct or indirect form, to build and support genuine partnership with these sectors after verifying their commitment.
2. Contribute to facilitate trade and the flow of goods across borders and customs ports.
3. Contributing in supporting the economy and encouraging investment and continuity leading to the upgrading of customs work and keeping pace with developments at the international customs level.
4. Strengthen the cooperation and build good relations with the customs departments of other countries in order to ensure the flow of goods across the border between Qatar and these countries.
5. Contributing to the achievement of compliance with customs legislation by the supply chain companies operating in international trade.
6. Strengthening customs control procedures by focusing their efforts on non-compliant companies and increasing the efficiency of customs work in general.
7. Improve the procedures and regulations of the supply chain companies operating in international trade to comply with the accepted and approved requirements of the commitment by customs in order to achieve the concept of shared responsibility towards compliance with the legislation in force in the state.
8. Contribute to the realization of the principle of legitimate competition among the business sectors operating within the supply chain.
9. Ensure the requirements of security and safety standards in the internationally accredited supply chain.
10. Reducing the release time of imported and exported goods for companies joining the Authorized Economic Operator Program.

### **Third: Privileges granted through the program to affiliated companies.**

Within the framework of the general authority of customs in The State of Qatar to simplify the customs procedures and ensure the speed of the flow of commodities and goods through customs ports for companies joining the project of the authorized economic operator program, and the embodiment of the real partnership between the General Authority for customs and the private sector to contribute in the enhancement of the national economy, Companies that are members of the authorized Economic Operator Program are eligible for the following customs incentives, benefits and facilities:

1. Take advantage of all the benefits granted through the Green Lane and the Green List Project.
2. Give priority to actual inspection when the goods of the authorized economic operator are suspected after inspection through radiology devices, inspection may be requested in the company's stores.
3. Prior release of goods before its arrival against appropriate undertakings.
4. Giving priority to the provision of tools and means of loading (porters) and transportation of the goods related to the companies listed in the authorized economic operator program inside the customs campus (after coordination with the competent companies and sign the necessary agreements with them).

5. The allocation of customs liaison officers assigned to all matters related to the authorized economic operator.
6. A Hotline allocation for companies and entities listed in the project of the authorized economic operator working 24 hours a day, and the readiness of a team for supporting and assistance when needed. (Call center VIP).
7. Providence of information, legislation, provisions, circulars and updates in relation with customs procedures and an advanced notice with the controls to be applied.
8. Facilitate the procedures of financial guarantees provided to customs pursuant to instructions issued for this aim at a later date such as release of goods in the absence of the original documents against a written undertaking.
9. Providing the feature of exchanging lists of the listed entities in the internationally authorized economic operator through the agreements established thereby.
10. Providing support and priority to obtain facilities provided by other government agencies related to customs clearance through customs meetings with these entities, such as registration entities and ports & airports operators.
11. Allow the release of the goods using copies of the documents, if the original documents are not available against a written undertaking from the importer to provide them within a max period of 90 days from the date of the pledge, Otherwise the company will be contacted and its justifications will be studied and the decision is taken to accept the justifications or not, in the case of the acceptance of the justifications from the company, it is advised not to exceed the specified period once again, or it will be subject to a six-month suspension of the program and final suspension in case of repetition, in the case of the non-acceptance of the justifications, the provisions of the Customs Act and the Executive Regulations are applied by requiring the importer to pay the insurance fee (1%) Of value the goods and to be transferred directly to the revenue account along with the six-month suspension of the program and the final suspension in the state of repetition (annual study).
12. The company obtains an approved certificate by the General Authority of Customs states that it is one of the committed companies with a good reputation in the program the authorized economic operator accredited by the General Authority of Customs and to benefit from it internally and externally.
13. Giving the opportunity for the listed entities in the authorized economic operator project, to participate with the General Authority of Customs in some workshops or official events, and involve them in meetings that are relevant.
14. Listing the names of companies that are members of the authorized economic operator program on the al-Nadeeb website and the General Authority of Customs website.

Note: In the event of misuse of any of the above privileges, the granting of this concession to the Company will be reviewed unless acceptable justifications are provided.

#### **Forth: Program Beneficiaries.**

The authorized economic operator program project includes the supply chain operators for international trade, which includes:

1. Import and export companies
2. Freight companies.
3. Storage companies.
4. Customs clearing companies.
5. Carriage companies.
6. Port, airport and land port operators.
7. Industrial zones operators QIZ (Qualifying Industrial Zone) and qualified free zones.
8. Warehousing.

At the initial launch stage, the program will be limited only to the import and export category with the possibility of gradual expansion in the future to include all parties dealing in the supply chain of international trade.

#### **Fifth: Conditions for submitting applications to join the program by the authorities Candidate.**

Applications from companies interested in joining the authorized economic operator program for the import and export category are required to provide the following to be accepted:

- Must be one of the companies operating in the country for at least three years.
- Submit an application for accession to the program in accordance with the form prepared by the General Authority of Customs and the necessary documentation attached (Legal file, organizational structure, financial lists or reports for the last three years) (Annex (2)).

With regard to the category of customs clearance companies, the company must be classified under category (A) according to the classification system approved by the authority for customs clearance companies with general license.

#### **Sixth: Terms of acceptance for joining the program.**

Approval to accept the joining of the authorized economic operator program is issued if the following conditions are met:

- The customs status of the applicant must be sound which means not committing customs offences that would have an impact on the status of the authorized economic operator during the previous three years, The Facilitation and Compliance Section examines the seriousness of customs offences committed in coordination with the Department of Legal Affairs.
- The applicant must have a stable financial system in accordance with the rules and accounting principles accepted in the country for three years a precedent.
- The applicant must have an acceptable system of commercial record-keeping by the General Authority of Customs.
- The applicant must meet safety and security requirements in accordance with international standards stipulated in the framework of the World Customs Organization standards for the security and facilitation of the supply chain in international trade.

#### **Seventh: Verification mechanisms.**

**The audit is carried out in two basic phases:**

- 1- **Preliminary study:** Is carried out at the headquarters of the General Authority of Customs and aims to carry out a documentary study to make sure especially of:
  - Completion of required documents.
  - Study of the customs status of the applicant entity (customs violations)
  - Study the company's financial position to ascertain its ability to meet its financial obligations by calculating and analyzing the information available in the lists or financial reports submitted.
  - Study and analyze the various points contained in the attached forms and prepare a preliminary assessment about the company (focusing on sensitive points that may have a negative impact on the company's acceptance) in the preparation framework for a conversation with company officials.
  - Preparation of an audit team.
- 2- **Field inspection:** Conducted in the company's locations (field check) the information contained in the attached forms is confirmed, and a conversation with company officials to inquire about points that need to be clarified.

The audit report is then prepared, supported by the auditors' opinion of whether or not to agree to join the program with explanations. The audit team ensures that the requirements mentioned in the framework of the World Customs Organization Standards for the security and facilitation of the supply chain in international trade are met:

1. Compliance with customs requirements.
2. Satisfactory business record management system.
3. Financial continuity.
4. Consultation, cooperation and communication.
5. Education, training and awareness.
6. Sharing, accessing and confidential of the information.
7. Shipments security.
8. Transport security.
9. Facilities security.
10. The security of individuals.
11. Security of business partners.
12. Dealing with crises and getting out of incidental emergencies.
13. Evaluation, analysis and improvement.

#### **A. Customs requirements.**

The audit of companies applying to the Authorized Economic Operator Program needs to be checked and audited to comply with the customs requirements and based on the framework of security standards and facilitation of the supply chain in international trade "SAFE" issued by the World Customs Organization (WCO).

##### **The most important points are:**

- Completion of customs procedures (who does what regarding customs matters).
- Customs information and statistics about the company.
- Date of compliance with customs law (previous sanctions)

#### **B. Safety and security requirements.**

The audit of companies applying to the Authorized Economic Operator Program needs to check safety and security requirements based on the framework of security standards and facilitation of the supply chain in international trade "SAFE" issued by the World Customs Organization WCO. Annex No. 3.

##### **The most important points are:**

- Self-assessment and public security policy – safety
- Access to buildings and warehouses.
- Buildings security and its access way.
- Security shipping units (containers, trailers, trucks, ... )If any.
- Business partners insurance (full supply chain insurance)
- Safety of employees and their awareness of safety and security issues.
- External services and the extent of their insurance (e.g. guard companies/ cleaning companies, maintenance and others and the contracts for those companies).
- Archive, save and restore documents in case of loss or damage.
- Protecting and securing of computer systems.

### **C. Financial verification procedures**

The commitment assessment team takes the following steps during the field/external audit process to verify financial issues related to the company before taking the decision regarding joining the authorized economic operator program:

- Obtaining and studying the applied accounting system (It's the record in which all accounts are numbered.)
- Study the reporting system used internally and externally to find out the company's financial and administrative situation.
- Study the accounting procedures applied and how to control them with a focus on customs transaction procedures.
- Check for clear estimated budgets.
- Check the existence of an internal audit system, examine its effectiveness and provide sound control procedures.
- Study the accounting policies applied and ensure their compatibility with accepted accounting principles in accordance with international and local standards.
- See the meetings minutes of the general assemblies and boards of directors related to financial matters and follow up on the implementation of its decisions and their results.
- Review of financial statements (balance sheet, profit and loss account, trading or operating account) in accordance with the customary audit rules, which include conducting all the tests that customs deem sought to reach a conviction as to whether the information in the accounting books and records and other sources provided by customs are sufficient and reliable as a basis for preparing financial statements and this information has been presented correctly and fairly in accordance with the established accounting principles.

### **D. Documenting a satisfactory system accepted by the General Authority of Customs for the management and preservation of commercial records.**

Making sure that the company maintains a documented internal control system used to ensure the accuracy and validity of the procedures followed in its customs transactions. A documented internal control system is a sure sign of the company's seriousness in demonstrating commitment.

At this point, the company's use of a satisfactory system accepted by the Customs Authority for the management and preservation of commercial records is confirmed, and this is represented in the audit of the following points:

- Accounting and logistics system.
- Information technology system.
- Internal control system.
- Flow of goods and transport operations.

## **Eighth: Field and external audit**

### **a) Compliance Assessment Team**

Forming a compliance assessment team from the employees of the facilitation and compliance department to conduct the audit, and it is preferable that they have the following characteristics:

- Experience in customs procedures.
- Academic qualification in accounting (at least one employee).
- Taking specialized courses in Accounting Auditing and Documentary Credits.
- Computer Experience.
- Get training in the audit field of the approved economic operator program.

**Specialists can be used from other departments, or from other parties, depending on the nature of the audit and the activity of the company to be audited (if necessary).**

## **B) Stages of field and external auditing**

The audit team determines an appointment for the field visit in agreement with the company's officials, to get to know it in the field and to check the validity of the information provided in the attached forms.

The process of assessing compliance goes through three stages which commercial deals are examined and reviewed during them by using modern auditing methods, leading to the following:

- Check the extent of customs operations documentation through the company's internal control system.
- Check the level of compliance with the effective procedures and regulations of the customs during the audit period.
- Check the extent of compliance with the necessary safety requirements.

And here are the three stages referred to, which complement each other to achieve voluntary Compliance, they are as follows:

### **1. Preparation stage for the field and external audit**

- The Compliance Assessment Team rapporteur communicates with the representatives of the company to be audited, coordinates with them, submits them checklists and prepares for the initial meeting with the company.
- The Compliance Assessment Team begins with collecting information about the company and preparing analytical studies on the company's work by going back to previous transactions and agreeing on the roles of the team members and the areas to focus on.
- Consider any advance disclosure submitted by the company, whether by the compliance assessment team or the advance disclosure assessment team, and then respond to it formally.
- The initial meeting with the company representatives is held before the date of conducting the field and external audit to receive the information required under the checklists and to inform them with the records, restrictions, required documents and the deadlines set for submitting these requirements, setting the date for conducting the field and external audit, and naming the liaison controller by each party.
- Study the information provided by the company in addition to the results of the analytical study on the company's performance and determine the extent of documentation required to be inspected.
- Reviewing the organizational structure of the company, which the company is supposed to have delivered with the other required information, in order to define organizational units and draw operations flow charts and information flow charts for each unit to be used during conducting field and external audits in order to identify the strengths and weaknesses of the company's internal control system.
- Coordination with the company to provide a suitable place for the work of the compliance assessment team.
- Making the work plan and the field and external audit program.
- Coordination with the company about the date of conducting the actual audit and informing them about the work plan and the audit program.

### **2. field and external audit stage**

- The Compliance Assessment Team will hand over a copy of the team's assignment book for the entity to be audited and then hold a meeting with company representatives to clarify the objectives and scope of the audit and the sampling methodology subject to the audit and timeframes.
- Checking the customs, financial and safety requirements mentioned in the checklists. And the selected samples are checked through the actual tracking for the existing operations and activities in the company, identifying the strengths and weaknesses, and ensuring the presence of internal control and determining its effectiveness.
- Review the procedures documented in the records, various systems and related documents, such as contracts, purchase orders, documentary credits, accounts, and any other related documents.
- The Compliance Assessment Team documents the results for each stage of the audit and determines the level of compliance in each area of compliance measurement. With the completion of the audit process, the team will have sufficient information to rely on in making the necessary decision about joining the company or proceeding with a Compliance improvement plan before agreeing to join.

### **3. Subsequent follow-up stage**

- Holding the final meeting with the company representatives at the end of the field and external auditing process to inform them of the results and clarify the plans and improvement notes.

- Submit a detailed initial report of all the audit work carried out by the Compliance Assessment Team with the results and recommendations, the extent of the Compliance and the cooperation received from the audited entity.
  - Follow-up and Verify that the company is implementing compliance improvement plans, and then submitting a final report including final Compliance results and appropriate recommendations.
  - Study the comments received from the company (if any) on developing the audit process or improving the checklists or other Standards and conditions and submitting appropriate recommendations in this regard.
- And it is assumed that all stages of the audit don't exceed one year from the start date. And another audit on the company should take place at least one year after the date of joining the approved economic operator program. And after that, the audit is done periodically.

#### **D) Measuring the compliance standard**

The process of assessing the compliance of companies nominated to join the approved economic operator program requires that a unified standard be adopted to measure the acceptable compliance rate for the company's performance within the approved economic operator program, the company must achieve the acceptable compliance rate (the compliance standard) in customs operations related to the areas of compliance measurement, where the compliance rate is measured according to the following: -

1. The compliance rate of the company is acceptable if the company achieved a percentage of not less than (95%) for a previous year and for all customs data belonging to the company, meaning that the acceptable tolerance percentage is (5%), using the following deductive equations:-

A) The result of the percentage of the fees percentage / declared fees subtracted from 100%

B) The result of the percentage the value difference / declared value subtracted from 100%

In the event that the compliance standard in one of the equations is less than (95%) to (90%), the following equation is used regarding the number of customs data for the company.

The equation: the result of the percentage (the number of data on which seizure reports are recorded) / (the total number of customs data).

In this case, the company must achieve a compliance rate that is not less than (95%), meaning that the acceptable tolerance percentage is 5% also, and it is not allowed to exceed this percentage.

2. Appropriately smart reports are used in the manger system to calculate the compliance rate or can be used to measure them mathematically.

#### **Ninth: Advance Disclosure**

Advance disclosure means that the institutions applying to the approved economic operator program provide information voluntarily about the company in financial, customs and legal matters to the relevant authority in this regard in customs correctly, transparent and clear, including any errors, violations of customs, before starting the field audit procedures.

##### **Advance Disclosure characteristics:**

That the information is correct, clear and transparent so that it can be relied upon during conducting the necessary audit of the company's performance.

##### **Advance Disclosure goals:**

The Advance disclosure aims to encourage companies to perform self-audit procedures and to undertake the voluntary compliance to allow for the advance disclosure about any violations committed by the company, which promotes confidence between the two parties, and allow the company to benefit from incentives and facilities related to the disclosed violations. The date of the audit with the company is determined by the relevant team, whereby the company is allowed to make the advance disclosure (if any) before the date of the field visit.

### **Advance Disclosure advantages:**

- Initial evaluation of the company's information to increase the chances of joining the program.
- Save time and effort to avoid imposing heavy financial fines on the company if it is discovered later.

### **Cases of non-acceptance of Advance disclosure:**

- Advance disclosure must be made within the time period specified for the relevant team before the field audit.
- That the violation is not classified as a crime of customs smuggling.
- If the documents submitted are incomplete or incorrect to enhance the validity of the information provided by advance disclosure.

In the event that any of the conditions for advance disclosure are not achieved, then the concerned authority will be notified of this decision to include the reasons for non-acceptance disclosure.

This can be reviewed by accepting advance disclosure when the required conditions are achieved within the specified period.

## **Tenth: The criteria for temporary suspension, and the criteria for delisting permanently**

### **A. The company that joins the approved economic operator program will be suspended temporarily in the following cases:**

1. Breach of one of the conditions of accepting joining the program referred to above after conducting the follow-up audit.  
If the results of the follow-up audit revealed a failure in the company's compliance and this resulted in releasing recommendations for the company, the company is given a deadline to reconcile its conditions, provided that be followed up in the implementation of the recommendations issued for it.
2. Any customs crimes will be committed like (violation or smuggling) that will affect on the condition related to the customs status of approved economic operators:
  - If the determination of the seizure report is made in the company's disadvantage and the company accepts conciliation, the company shall be suspended for a period of one year from the date of conciliation (the period may be reduced according to the risk management standards).
  - If the determination of the seizure report is made in the company's disadvantage, and the company does not accept conciliation and the lawsuit is instated against it, the company shall be suspended for a period of three years from the date of the issuance of a final and definitive sentence.
  - In the event that a sentence is issued with the clearance of the company in the seizure report that issued against it, procedures for transferring the company's imports from the red lane to the green lane will be taken from the date of our notification.
3. In the event that the company does not cooperate with the follow-up audit teams or does not provide the requirements for subsequent review, the company shall be suspended until the follow-up audit teams are able to conduct the audit and provide follow-up requirements.
4. In the case of the applicant requests to stop its membership in the approved economic operator program due to its inability to fulfill one of the required conditions (for example, an emergency incident / within the framework of transparency and partnership).
5. In the event of dangers that threaten the safety and security of citizens or the state.
6. If the results of the subsequent review revealed a failure in the company's compliance and resulted in releasing recommendations for the company, the company is given a deadline to reconcile its conditions, provided that be followed up in the implementation of the recommendations issued for it (through the compliance improvement plan)
7. In the event that the original documents were not submitted within ninety days from the date of the pledge and customs did not accept the justification for the delay from the approved economic operator.

### **B. The company joined in the approved economic operator program is permanently delisted in the following cases:**

1. In the case of the suspension period ends without addressing the defect (with the possibility of giving an additional deadline, according to the case).

2. When the company requests it.
3. After the final sentence, the company will be convicted of the customs violations for which the temporary suspension was made
4. In the event that the company terminates its activities, liquidates or merges with another company, which results in the cancellation of its legal entity.
5. If the results of the subsequent review revealed that the company does not comply with the criteria for continuing to serve, while insisting on not complying with the standards, despite giving it the appropriate deadline to amend its conditions (and was previously suspended temporarily before).
6. In the case repeating the violation related to not submitting the original documents within a period of ninety days from the date of the pledge, within a period of one year.
7. The request to join the approved economic operator program after the delisting process can only be repeated after three years from the date of such delisting.

### **Eleventh: The compliance improvement plan**

#### **The general goal:**

The compliance improvement plan aims to develop the performance of companies nominated to join the approved economic operator, by correcting the defects and errors discovered during the compliance assessment process, or that the company has previously disclosed, and this is done in cooperation between the company concerned and the relevant department of the approved economic operator in the authority.

The company needs to prepare a compliance improvement plan when it becomes clear to the audit team assigned to assess the compliance that a correction must be made to some of the practices and actions that the company undertakes to improve its performance, as the head of the compliance assessment team coordinates with the company representative to identify defects that affected the company's performance in Failure to reach the required level of compliance and its consequences.

This deficiency is addressed by the compliance assessment team through helping the company to improve performance by developing a compliance improvement plan, as this requires the company's management comply to notify the team of corrective actions to be taken, provided that the time frame required for the actual application of these procedures is determined and the date of verification of the procedures is also determined taken by the company and according to the compliance requirements specified in the checklists.

#### **Description of the compliance improvement plan:**

The preparation of the compliance improvement plan depends on the procedures and requirements proposed by the compliance assessment team as it aims to improve the procedures of the company and its performance to reach an acceptable level of compliance to customs legislation and to improve the company's self-control system, so that the plan includes specific details of the procedures that the company will do to correct the defects discovered during the audit process is linked to schedules for the implementation of each stage, and includes also the requirements to verify their efficiency and the documents supporting the completed procedures, and the plan is presented by the company in an official letter signed by the authorized person.

#### **The compliance improvement plan timeframe:**

In the event that the company accepts the compliance improvement plan, it is granted a conditional period of time to be able to make the required adjustments starting from the date of application of the compliance improvement plan, and before the company is classified into the approved risky level categories.

The period granted may reach (6) months with keeping the company in the regular risk category, and this is not applied to the company in the event that the company does not accept it or does not apply it within the specified period.

In the case of the time period granted to the company is not enough to complete the improvement procedures, this period is extended based on a request from the company, but if the company does not apply the compliance improvement plan during the period granted to it, and did not request to extend this period, then the company is classified within the high risky category.

And in the event that the companies joined the program violate any of the terms and requirements of the approved economic operator program, the company's status in the program will be reviewed after study.

**Appendix No. (1)**

**Paragraph 7 of ARTICLE 7: RELEASE AND CLEARANCE OF GOODS  
in  
THE AGREEMENT ON TRADE FACILITATION**

**7. Trade Facilitation Measures for Authorized Operators**

7.1. Each Member shall provide additional trade facilitation measures related to import, export or transit formalities and procedures, pursuant to paragraph 7.3, to operators who meet specified criteria, hereinafter called authorized operators. Alternatively, a Member may offer such facilitation measures through customs procedures generally available to all operators and not be required to establish a separate scheme.

7.2. The specified criteria shall be related to compliance, or the risk of non-compliance, with requirements specified in a Member's laws, regulations or procedures. The specified criteria, which shall be published, may include:

- a. an appropriate record of compliance with customs and other related laws and regulations;
- b. a system of managing records to allow for necessary internal controls;
- c. financial solvency, including, where appropriate, provision of a sufficient security/guarantee; and
- d. supply chain security.

The specified criteria to qualify as an operator shall not:

- a. be designed or applied so as to afford or create arbitrary or unjustifiable discrimination between operators where the same conditions prevail; and
- b. to the extent possible, restrict the participation of small and medium-sized enterprises.

7.3. The trade facilitation measures provided pursuant to paragraph 7.1 shall include at least 3 of the following measures:

- a. low documentary and data requirements as appropriate;
- b. low rate of physical inspections and examinations as appropriate;
- c. rapid release time as appropriate;
- d. deferred payment of duties, taxes, fees and charges;
- e. use of comprehensive guarantees or reduced guarantees;
- f. a single customs declaration for all imports or exports in a given period; and
- g. clearance of goods at the premises of the authorized operator or another place authorized by customs.

7.4. Members are encouraged to develop authorized operator schemes on the basis of international standards, where such standards exist, except when such standards would be an inappropriate or ineffective means for the fulfillment of the legitimate objectives pursued.

7.5. In order to enhance the facilitation measures provided to operators, Members shall afford to other Members the possibility to negotiate mutual recognition of authorized operator schemes.

7.6. Members shall exchange relevant information within the Committee about authorized operator schemes in force.



**Appendix No. (2)****Application for Joining the Authorized Economic Operator Program  
(Application \ Self-Assessment Questionnaire)**

|    |  |                         |    |      |     |
|----|--|-------------------------|----|------|-----|
| 1. | Company Name:  | [ ]                     |    |      |     |
| 2. | Custom Code:   | [ ]                     |    |      |     |
| 3. | Commercial Registration No. and Date of Issuance:              | [ ]                     |    |      |     |
| 4. | Activity Type: (Import / Export / Transport / Brokerage / ...) | [ ]                     |    |      |     |
| 5. | Registered Office:   | [ ]                     |    |      |     |
| 6. | Telephone:   | [ ]                     | 7. | Fax: | [ ] |
| 8. | Website:   | [ ]                     |    |      |     |
| 9. | Signature of the company's owner or the authorized signatory:  | Name and last Name: [ ] |    |      |     |
|    |  | Title: [ ]              |    |      |     |
|    |  | Signature: [ ]          |    |      |     |

The applicant Company for the AEO Program shall attach the following documents with the application:

- Copy of the Company's Organizational Structure.
- Recent copy of the Company's Commercial Registration.
- Copy of the Financial Statements for the previous 3 years.
- Copy of the company's owner or any authorized signatory's signature affixed on the application for joining the Program.

| S/N      | Question  | Answer   | Notes |
|----------|---|--|-------|
| <b>1</b> | <b>General Information about the Company:</b>   |  |       |
| 1.1      | Describe company's type (public joint-stock, limited joint-stock, joint-liability, ...)   |  |       |
| 1.2      | Identify value of company's paid-up capital.  |  |       |
| 1.3      | Describe company's area of work (trading – manufacturing – services – other [Please specify])   |  |       |
| 1.4      | Specify company's addresses: Headquarters, branches, warehouses, ...  |  |       |
| 1.5      | List national and/or foreign companies related to the company and their addresses (such as parent companies, sister companies and branches, ...)                            |  |       |
| 1.6      | Name the concerned entity responsible for company's financial and accounting audit. Please name the key responsible auditor (address and phone number)                      |  |       |
| 1.7      | List the applicant entity's delegates or representatives' names who have filled out this application, and their phone numbers.  | Names: -<br>Phone numbers: -                         |       |
| 1.8      | Please state the name, title, address and phone number of the permanent company's representative who can be contacted for the purpose of subsequent audit (liaison officer) | Name: -<br>Title: -<br>Address: -<br>Phone number: - |       |
| 1.9      | Does the company have other branches?<br>If "yes", please list the names and addresses of these branches  |  |       |
| 1.10     | Does the company have "ISO" quality certificates or any other certificates from other organizations? If "yes", please enclose a copy of the certificate.                    |  |       |
| 1.11     | Does the company have special depots or warehouses?<br>If "yes", please state the location of these depots or warehouses.   |  |       |
| 1.12     | Are there any previous or pending complaints or legal cases before courts against the company?<br>If "yes", please describe the nature of these legal cases.                |  |       |

| S/N        | Question   | Answer                                    | Notes |
|------------|--|---|-------|
| <b>2</b>   | <b>Customs Information:</b>  |   |       |
| <b>2.1</b> | <b>General Customs Information</b>   |   |       |
| 2.1.1      | Does a clearance company(ies) clear the company's goods?<br>If "Yes", please state the name(s) of the clearance company(ies) with which the company is doing business.   |   |       |
| 2.1.2      | Name, address and telephone no. of the clearance company's representative (if any)   | Name: -<br>Address: -<br>Telephone no.: - |       |
| 2.1.3      | If the answer to question no. (2.1.1) is "No", are there any employees from your company who are assigned to perform the clearance procedures, and in accordance with the authorization granted to them?<br>Please state the names of these employees. |   |       |
| 2.1.4      | Are the customs fees paid by the company directly or are they paid by the clearance company and then reimbursed to the latter by the company?  |   |       |
| 2.1.5      | Please list the items imported and exported by the company (if too many, please state the main items only)   |   |       |
| 2.1.6      | Please list all types of customs status utilized by the Company (Import/ Export/ Temporary Entering / Re-exportation / ... etc.)   |   |       |
| 2.1.7      | Please state the company's registration no.(s) (if there are more than one registration number) used in the customs data   |   |       |
| <b>2.2</b> | <b>Information related to the Customs status:</b>  |   |       |
| 2.2.1      | has the customs filed any violations against the company during the past three years? If "Yes", please attach a brief table which summarizes these violations and its related data.  |   |       |
| 2.2.2      | What are the procedures executed by the company to avoid customs violations (Point 2.2.1)  |   |       |
| 2.2.3      | State the number of the customs data for the last year?  | Year: ..... : -<br>.....                  |       |
| 2.2.4      | State the total amount of paid up customs fees during the last year?   | Year: ..... : -<br>.....                  |       |
| 2.2.5      | State the value of customs transactions during the last year?  | Year: ..... : -<br>.....                  |       |

| 2.3 Specialized Customs Information: |   |  |  |
|--------------------------------------|---|--|--|
| 2.3.1                                | <p>What is the method most used by the customs to determine the customs value for your imported goods, in accordance with the customs law and instructions issued accordingly?</p> <ul style="list-style-type: none"> <li>- adopting the price which is declared as the value of the deal.</li> <li>- Approving the value of matching goods.</li> <li>- Approving the value of similar goods.</li> <li>- The flexible method used to determine the value of the goods.</li> <li>- Other methods.</li> </ul> |  |  |
| 2.3.2                                | <p>Does the disclosed value include all elements of the customs value required by Law?<br/>If “No”, please state the originally undisclosed values, in addition to numbers of the customs Data related to these values.</p>   |  |  |
| 2.3.3                                | <p>Are there any indirect payments which are paid to the vendor for imported goods?<br/>If “Yes”, please state the amounts paid and numbers of the customs Data related to these payments.</p>  |  |  |
| 2.3.4                                | <p>Are there any intellectual property rights or licensing fees related to the imported goods which are paid by the company to the exporter? If “Yes”, please state the details, in addition to stating numbers of the customs Data related to these rights.</p>  |  |  |
| 2.3.5                                | <p>What is the payment method most used for the procurement of imported goods?<br/>If there any notes, please specify.</p>  |  |  |
|                                      |   |  |  |
| 2.3.6                                | <p>Are imported goods being accurately disclosed in accordance with what is stated in the harmonized system codes?<br/>If “No”, please state details of the transactions.</p>   |  |  |
| 2.3.7                                | <p>Has the company ever obtained a special decision for determining the tariff clause issued by The Customs or the WCO either before or after importing the goods. If “Yes”, please state details and attach copies of these decisions.</p>   |  |  |
| 2.3.8                                | <p>Does the company ask for consultancy regarding determination of the tariff clause for imported goods, or does it rely on the clearance company or its representative?<br/>Please state the related details.</p>  |  |  |
| 2.3.9                                | <p>Does the company benefit from reduced fees rates stipulated in the customs tariff, or from any other exemptions stipulated in the customs Law or any other legislations?<br/>If “Yes”, please specify these granted reductions or exemptions.</p>  |  |  |
| 2.3.10                               | <p>Are there any substances imported by the company which require conducting Laboratory analysis in order to determine the tariff clause? If “Yes”, please specify these substances.</p>  |  |  |

|        |  |  |  |
|--------|--|--|--|
| 2.3.11 | Is the goods' country of origin being stated accurately in the customs data and for all imported items?<br>If "No", please specify details and numbers of the customs Data related to these items.   |  |  |
| 2.3.12 | Are the goods being imported by your company subject to the trade agreements concluded between the State of Qatar and the imported goods countries of origin?<br>If "Yes", please specify these agreements.  |  |  |
| 2.3.13 | Does the company clear its imported goods through one or more than one customs port? Please state details.   |  |  |
| 2.3.14 | If the company's imported goods are subject to the procedures of other government agencies (such as: Health, Environment or specification and standards agencies) before completing the transactions, are there any customs data related to the goods which have been denied entry by these agencies during the last three years?<br>If "Yes", please specify numbers of customs Data and ports in relation to which this data is regulated. |  |  |
| 2.3.15 | Does the company discard its data on regular basis?<br>Please specify.   |  |  |

| S/N      | Question   | Answer | Notes |
|----------|--|--------|-------|
| <b>3</b> | <b>Financial Status:</b>   |        |       |
| 3.1      | have the company faced any financial issues during the last three years?   |        |       |
| 3.2      | What is the method used upon conducting a financial audit of the company?  |        |       |
| 3.3      | Does the Company agree to provide the GAC with financial statements for the last three year?<br>If "No", please state the reasons. |        |       |

| S/N        | Question   | Answer | Notes |
|------------|--|--------|-------|
| <b>4</b>   | <b>Managing accounting and trade Records:</b>  |        |       |
| <b>4.1</b> | <b>Maintaining accounting and trade Records</b>  |        |       |
| 4.1.1      | Does the company's accounting system provide a full audit for the customs procedures (tracking) or the traffic of related goods? If "Yes", please describe the process and type of records which allow performing these audits.  |        |       |
| 4.1.2      | Does the company keep accounting records and registers and maintain customs-related documents (customs clearance files Archive)?   |        |       |
| 4.1.3      | Is the archiving system computerized? If "Yes", does it allow to retrieve documents and records? Who are the persons authorized to do so?  |        |       |
| 4.1.4      | Are the accounting registers and records, and all the related clarifications being maintained according to the time period specified in Laws, regulations and legislations in force?<br>If "No", please state the details.   |        |       |
| 4.1.5      | State details of the company's policy and operations in creating, keeping, transferring and destroying of statutory documents related to customs operations in the company?<br>Please attach written instructions (if any) issued by the company to organize the mentioned operations and to determine the maintenance period and method of maintaining, in addition to the Data Flow Diagram. |        |       |
| 4.1.6      | Does the company maintain audited financial statements and are these statements ready for analysis? If "No", please explain.   |        |       |
| 4.1.7      | Does the company have a department or an official who is in charge of maintaining and documenting procedures related to import, export and customs operations?<br>If "Yes", please specify.  |        |       |
| 4.1.8      | Are there documentation processes for the procedures of maintaining records? If "Yes", how are they performed?   |        |       |
| 4.1.9      | In case of change of procedures of maintaining registers and records, is this change being documented?   |        |       |
| 4.1.10     | Is there an approved mechanism regarding the process of discarding the company's trade accounting records and registers?   |        |       |
| 4.1.11     | Is there any applicable mechanism to detect errors related to the process of maintaining records? What are the procedures in place in case of detecting errors within the records?   |        |       |
| 4.1.12     | Describe how the access process and the extraction of records from the archive happens, how to secure this process, how to ensure that the records existing in the archive are not tampered with, and how to ensure that these records are returned to the archive after usage.  |        |       |

| <b>4.2 Accounting and logistic System</b> |  |  |
|---|--|--|
| 4.2.1                                     | Are all of the Financial and Accounting Systems completely computerized, or are they performed manually or in a mixed manner?  |  |
| 4.2.2                                     | In case the accounting system is computerized, does the company keep Backup electronic copies of the CDs of its business?  |  |
| 4.2.3                                     | Does the computer system provide the means for tracking the trade and customs clearance operations?  |  |
| 4.2.4                                     | Does the computer system provide the means for identifying the data related to goods which are suspended for customs fees (example: temporary entry, ...)?   |  |
| <b>4.3 Internal Auditing System</b>       |  |  |
| 4.3.1                                     | Does the company operate under an internal auditing system?  |  |
| 4.3.2                                     | Does the company have a department or an official who is in charge of conducting internal audit for the company's business? If "Yes", please specify.  |  |
| 4.3.3                                     | Does the company perform audit regarding accuracy of procedures performed on the customs data after completion and in accordance with the Customs Instructions? If "Yes", please specify the names of persons and entities which are in charge?  |  |
| 4.3.4                                     | Specify the company's approved policies, work mechanisms and procedures for the purposes of addressing activities and customs operations in the case of undocumented procedures. Please attach a written brief (or a copy of the approved manual for this purpose) regarding the applicable procedures, which constitutes in whole the structure of the internal audit for the customs operations. |  |
| 4.3.5                                     | Please specify the applicable procedures in order to ensure that subsidies, commission, intellectual property rights, licensing fees, shipping charges, and any other fees are properly declared to customs.   |  |
| 4.3.6                                     | Clarify the results of (internal and external) audit conducted by the company in order to ensure the extent of efficiency of its internal audit system regarding the customs transactions. Please attach copies of the reports relevant to the customs transactions (if any).  |  |
| 4.3.7                                     | Specify the methodology of reviewing the customs transactions? is it performed on regular basis for each transaction or periodically or annually?  |  |
| <b>4.4 Goods Movement:</b>                |  |  |

|       |  |  |  |
|-------|--|--|--|
| 4.4.1 | How does the company register movement of goods (arrival of goods, storage, manufacturing and shipping)  |  |  |
| 4.4.2 | How does the company move goods?<br>- What are the company's means of transportation?<br>- What are the means of transportation of other Companies? In this case, how are these operations documented (periodic contracts, standalone operations, ...) |  |  |

| S/N        | Question   | Answer                                       | Notes |
|------------|--|--|-------|
| <b>5</b>   | <b>Safety and Security requirements:</b>   |  |       |
| <b>5.1</b> | <b>Self-assessment regarding safety and security requirements</b>  |  |       |
| 5.1.1      | Does the company perform risk assessment related to safety and security matters? Specify how?  |  |       |
| 5.1.2      | Who is the person in charge of security matters in the company?  | Name: -<br>Address: -<br>Telephone number: - |       |
| 5.1.3      | How are security measures being implemented and coordinated in your company and who is responsible for implementing them?  |  |       |
| 5.1.4      | Are there any security incidents that have occurred during the last year?<br>If "Yes", please provide a brief description of the incidents and procedures performed.   |  |       |
| 5.1.5      | Does the company keep records of security incidents and procedures performed?  |  |       |
| 5.1.6      | Have you obtained a certificate from another organization for the purposes of security and safety?<br>If "Yes", please submit a copy of the certificate.   |  |       |
| 5.1.7      | Does the company use the services of a security company?<br>If "Yes", please state the name of the security company?   |  |       |
| 5.1.8      | Do clients or Insurance companies require you to apply security and safety measures?<br>If "Yes", please specify.  |  |       |
| 5.1.9      | Does the company establish emergency plans to address emergency situations and recover from crises or terrorist attacks? If "Yes", do you establish these emergency plans in cooperation with a certain entity or authority? |  |       |

| 5.2    | Facilities Security  |  |  |
|--------|--|--|--|
| 5.2.1  | Describe briefly how you manage or organize access procedures to your facilities (Buildings, production zones, warehouses, ... etc.) for employees, visitors, other individuals, vehicles and goods? |  |  |
| 5.2.2  | Who is in charge of ensuring compliance to these procedures?<br>How are these procedures being disseminated to the employees?  |  |  |
| 5.2.3  | Describe briefly procedures which are required to apply in case a person or an unauthorized vehicle is discovered to have entered the company's premise?   |  |  |
| 5.2.4  | If your company shares the site with other companies, please state their names?  |  |  |
| 5.2.5  | How are the outside perimeters being secured? and, how are these preventive measures controlled?   |  |  |
| 5.2.6  | How, by whom, and how often are the outside fence of the facilities being checked?   |  |  |
| 5.2.7  | Describe briefly the lightening procedures of your site? (all the time? Without interruption? By motion detection?)  |  |  |
| 5.2.8  | What are the means used for searching vehicles upon entering?  |  |  |
| 5.2.9  | How are car parking areas being managed?<br>Are these car parking areas being secured?<br>Are these car parking areas near to the those for storing and shipping goods?                              |  |  |
| 5.2.10 | How are the procedures of assigning and monitoring keys and access cards being managed?  |  |  |
| 5.2.11 | Does the company have a CCTV surveillance system and alarms?   |  |  |

| 5.3    | Security of Shipping units, means of transport and goods:  |  |  |
|--------|--|--|--|
| 5.3.1  | Describe briefly the applicable procedures regarding the prevention of unauthorized access to the shipping units?  |  |  |
| 5.3.2  | Does the company use commercial lead to protect the shipping units?<br>If “No”, how do you guarantee that the goods are not tampered with?   |  |  |
| 5.3.3  | What are the procedures that are required to be implemented in order to check shipping units? (such as controlling the seven components of the containers: front wall – left side – right side – ceiling – ceiling / ceiling – internal and external doors – exterior – structure) |  |  |
| 5.3.4  | What are the means of transport used?  |  |  |
| 5.3.5  | Does the company own the means of transport? If “Yes”, where are the maintenance works being performed? (inside and / or outside the company?)   |  |  |
| 5.3.6  | Describe briefly the applicable procedures to ensure the security and safety of goods upon receipt?  |  |  |
| 5.3.7  | Describe the goods storage areas (inside and / or outside)?  |  |  |
| 5.3.8  | In case of assigning the storing process to a third party, please explain how this process is performed?   |  |  |
| 5.3.9  | What are the procedures for securing manufacturing areas against unauthorized access?  |  |  |
| 5.3.10 | Describe briefly the process of packing goods and how to ensure its safety?  |  |  |
| 5.3.11 | In case of assigning the final process of packing goods to a third party, please explain the method for ensuring the safety of end products?   |  |  |
| 5.3.12 | Describe briefly the procedures for ensuring safety of goods within shipping areas?  |  |  |
| 5.3.13 | Describe the available mechanisms for purposes of detecting security risks which may occur while loading goods in means of transport?  |  |  |
| 5.3.14 | Does the company have a system dedicated for purposes of tracking shipments and vehicles? If “Yes”, please explain how is it done?   |  |  |

|            |   |  |  |
|------------|---|--|--|
| <b>5.4</b> | <b>Individuals 'security:</b>   |  |  |
| 5.4.1      | How are safety and security requirements reflected in your employment policy?   |  |  |
| 5.4.2      | Are (customs-related, criminal ...) violations that could be carried out by employees working in the company's security sites being periodically verified?                            |  |  |
| 5.4.3      | How can you ensure that the employee, who has permanently left your company, no longer has access to your premises and data?  |  |  |
| 5.4.4.     | Are there safety and security training as well as contingency plans provided to the staff?<br>If "yes", what are the staff categories involved?<br>Is training improved periodically? |  |  |
| 5.4.5      | Does the company hire temporarily? If "yes", how is the security of temporary staff ensured?  |  |  |
| <b>5.5</b> | <b>Business Partners' Security</b>  |  |  |
| 5.5.1      | What are your safety and security requirements for selecting your business partners?  |  |  |
| 5.5.2      | How do you ensure that your business partners comply with safety and security standards you impose on them?   |  |  |
| 5.5.3      | Are safety and security issues reviewed when renewing contracts with business partners?   |  |  |
| 5.5.4      | Have you experienced during the past three years any security violations by your business partners?<br>If "yes", what are the measures you have adapted?                              |  |  |
| 5.5.5      | Do you use external (transport, guarding, cleaning.....) service providers?<br>If "yes", how do you ensure that they meet safety and security standards?                              |  |  |

| 5.6   | Information Security  |  |  |
|-------|---|--|--|
| 5.6.1 | Does the company maintain any customs records or entries electronically?<br>If "yes", kindly define these records and entries that are electronically saved.                |  |  |
| 5.6.2 | Please specify name(s) of employee(s) in charge of electronic saving and management of information.   |  |  |
| 5.6.3 | Please indicate the operating system used by the company.   |  |  |
| 5.6.4 | Is there a special system for controlling authority given regarding access and amendment to electronic programs?  |  |  |
| 5.6.5 | Who is authorized to have access to passwords to enter computerized systems?  |  |  |
| 5.6.6 | Kindly specify location of (basic and reserve) information center at the company as well as the mechanism being used to manage it?  |  |  |
| 5.6.7 | How does the company ensure the integrity and confidentiality of the supply chain information?  |  |  |
| 5.6.8 | Have illegal access or manipulation of information systems been discovered during the past three years?<br>If "yes", what actions have been taken?                          |  |  |
| 5.6.9 | Please specify name, position and phone number of the company's specialist who can be contacted for obtaining more information about the company's data processing systems. |  |  |

General Authority of Customs //Logo of the General Authority of Customs- State of Qatar//

Authorized Economic Operator

(To be signed by the company's owner or authorized signatory)

Name and surname:

Position in the Company:

Date:

Signature:

Signature shall be deemed as ratification to the validity of the information in the questionnaire. It is also considered as an agreement to include the company's name and the code of the Authorized Economic Operator on the GAC's website as well as in mutual recognition agreements signed with other states.