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Customs and Global Trade Update

July 2015

Official Australian Trusted Trader Programme Questionnaire Registered

A key element of the Australian Trusted Trader Programme will be satisfactory completion of a self-assessment questionnaire. This is the first major step towards obtaining full Australian Trusted Trader accreditation. The questionnaire has been officially registered. While the information required from each applicant will differ, the content of the questionnaire is the best guide as to what is required to be accredited as a Trusted Trader.

For brokers, freight forwarders and traders looking to become involved in the Australian Trusted Trader Programme, reviewing the questionnaire will focus your attention on potential areas of weakness that should be addressed prior to the programme being fully implemented in 2016.

WHAT IS THE AUSTRALIAN TRUSTED TRADER PROGRAMME AND HOW DOES THE QUESTIONNAIRE FIT IN?

The Australian Trusted Trader Programme will provide its participants with trade facilitation benefits in exchange for demonstrated commitments to trade compliance and supply chain security. It is open to importers and exporters, as well as services providers such as brokers and freight forwarders.

Inclusion in the programme is neither compulsory nor automatic. Initial assessment of eligibility will be via review of the self-assessment questionnaire; which covers all areas of the business' international trade activities and procedures used to control compliance and supply chain security risk. Satisfactory completion of the self-assessment questionnaire will lead to the provisional status of trusted trader, pending a physical review by the Trusted Trader Branch.

ACCESSING THE QUESTIONNAIRE

The self-assessment questionnaire is a legislative instrument and needed official approval under the Customs Act. The official approved document can be accessed here. It is expected that a further version of the questionnaire with explanatory notes will be made available in due course.

KEY CONSIDERATIONS

The self-assessment questionnaire covers a range of topics and it is important to note that it is not intended that all questions will be applicable to all applicants. For instance, if you are a customs broker that does not physically handle goods, questions relating to the physical security of your premises will not be relevant.

The questionnaire contains 39 questions, many of which have 3-4 sub-questions. To highlight the need to review the questionnaire, we have set out below examples of some key questions with our commentary for consideration around potential "issues".

Question Number	Question	Issues
Internal controls 17(a)	Does your business have internal controls in place for the management of trade compliance and supply chain security? Y/N. If yes, briefly describe how your business' internal controls for the management of trade compliance and supply chain security are implemented and managed.	It is crucial that you have some internal review process in place that is compliance focused. This should be a process that is systematic/periodic and not merely reactive to issues raised by the Australian Border Force. While many brokers will have an advisory team reviewing past entries for refund opportunities, many will not have formal procedures in place to identify compliance risks.
Information relating to goods moving in the international supply chain 22(a)	Does your business have procedures (documented or otherwise) in place to ensure that any communication made to your business from another party about goods moving through the international supply chain is complete, accurate and traceable? Y/N. If yes, briefly describe these procedures.	Customs brokers are very reliant on the accuracy of information provided to them by importers. Information as to the identity of parties in the supply chain and the goods themselves can be easily falsified for a security or trade advantage. While it is difficult for brokers to verify client information, procedures can be developed around identity and the provision of supporting documentation such as licences and permits. It is also reasonable to insert contractual terms allowing brokers to request additional documents to support the value of goods or their classification.
Business partner security 35(b) & (c)	Does your business have procedures (documented or otherwise) for identification and selection of business partners in your international supply chain? YN. If yes, briefly describe these procedures. Does your business have procedures for international supply chain business partners to ensure that their procedures are consistent with the supply chain security standards of the ATT? Y/N If yes, briefly describe these procedures.	Very few businesses are able to provide all services required to move, clear and store goods. It is likely you will contract or subcontract with international carriers, stevedores, warehouse operators and domestic transport companies. Each one of these companies represents a potential risk in the supply chain which you have limited opportunities to control. As a minimum we recommend considering what are the key factors that are important to you in choosing a business partner and document these factors in a formal policy. All service providers can ask their business partners for copies of their own policies aimed at increasing supply chain security. Where you have significant negotiating power, you can insist on the development of such policies and obtain rights to ensure compliance with those policies.

Question Number	Question	Issues
Personnel training and personnel security **37(a) and 38(a)**	Does your business provide training for employees in roles relating to international supply chain security or trade compliance activities? Y/N. If yes, briefly describe the training. Does your business have procedures (documented or otherwise) in place to screen prospective employees and to periodically check current employees? Y/N If yes, briefly describe these procedures.	The level of pre-employment screening and periodic review of current employees required will depend on their role and the sensitivity of information they have access to or control. For any party that has a role in undertaking the duties of a customs broker police checks and verified references are likely to be a minimum. Employment contracts should also be reviewed to ensure that the employer has the right to undertake integrity checks periodically throughout the employment. Ongoing training is also crucial. This training should not just go to the performance of the individuals role but also as to the business' values and ethics, identifying non-compliance and procedures for reporting security risks.

While the questions differ in topic, very often the risk assessment follows this pattern:

1. Is there an internal procedure in place to control the risk;
2. Is that procedure documented;
3. How is compliance with that procedure reviewed; and
4. What is the maturity level of the internal control and monitoring environment?

Service providers who are asking these questions now about their own areas of trade compliance and supply chain security risk will be best placed to obtain the competitive edge that Australian Trusted Trader accreditation will bring.

OTHER RECENT UPDATES ON THE AUSTRALIAN TRUSTED TRADER PROGRAMME

Please see the below links to our other recent updates on the Australian Trusted Trader Programme.

» Australian Trusted Trader Programme Launched
» Australian Trusted Trader Programme – What to do now

Hunt & Hunt partner Russell Wiese presenting at the launch of the Australian Trusted Trader Programme

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