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**Customs and Supply Chain Due Diligence
Final Report and Reference Manual**

Final Report
23 June 2005

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Abstract

This report explains how eight beta test companies in Jordan fulfilled customs and supply chain security due diligence procedures. Upon completing compliance self-assessment, the eight companies initiated membership application to the Jordan Customs Department (JCD) Risk Management “Golden List Program”. Jordan Customs Department granted one company “Golden List” certification and completed audits for three other companies. Audits of the other companies are in progress.

The Jordan Customs Department Golden List Program self-assessment includes customs compliance with the Customs Law and customs regulations. Compliance includes providing details on merchandise description, rules of origin, valuation, tariff classification, intellectual property, customs declaration, temporary import, and bilateral free trade agreements. Part of the Golden List Program customs and supply chain security due diligence complies with the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade. This international agreement was only established on 24 June 2005. Part of the Golden List Program self-assessment is also similar to the Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria.

Nine recommendations outline how the JCD could further improve customs and supply chain security compliance. Getting the approval of the Golden List Program by U.S. Customs and Border Protection under the customs-to customs Pillar of the Framework of Standards will benefit Jordan trading companies. Fulfilling WCO Pillar I and Pillar II standards will benefit Jordan trading companies. Consultants provided two training to 32 companies, which enabled five consultants from those companies to initiate fee-paying client due diligence services. The Jordan Garments, Accessories & Textiles Exporters’ Association (JGATE) also agreed to offer fee-paying due diligence services to its 39 members and started customs and supply chain security due diligence with two garment manufacturers. As a result of this training and new fee-paying services, the Risk Management Directorate of the JCD will likely receive further Golden List Program applications.

Abbreviations and Acronyms

ADC	Aqaba Development Corporation
ADR	International Carriage of Dangerous Goods by Road (1957)
AEO	Authorized Economic Operators
AETR	Work of Crews of Vehicles Engaged in International Road Transport (1970)
AIDC	Automatic Identification and Data Collection
AIS	Automatic Information System
AMIR	Achievement of Market-Friendly Initiatives and Results Program
APHIS	Animal and Plant Health Inspection Service
AWB	Air Waybill
AZEM	Aqaba Zone Economic Mobilization
ASEZA	Aqaba Special Economic Zone
ATS	Automated Targeting System
BASC	Business Anti-Smuggling Coalition
CAT	Customs Assessment Team
CBP	Customs & Border Protection
CCS	Cargo Community Systems
CCTV	Closed-Circuit Television
CE	Consumer Electronic mark and certification
CIP	Carrier Initiative Program
CN	Combined Nomenclature
CSI	Container Security Initiative
CITES	Convention International Trade in Endangered Species
CMR	Convention on the Contract for the International Carriage of Goods (1956)
CSR	Continuous Synopsis Record
C-TPAT	Customs-Trade Partnership Against Terrorism
CTU	Closed Transport Unit
DHS	Department of Homeland Security
EC-DC	Electronic Commerce for Developing Countries
EDI	Electronic Data Interchange
EDIFACT	Electronic Data Interchange for Administrative, Commerce and Transport
EDP	Electronic Data Processing
EEC	European Economic Commission
EFTA	European Free Trade Association
EICC	European Information Correspondence Centre
EJADA	Euro-Jordan action for the development of enterprise
EJEP	Euro Jordan Export Program
EU	European Union
FCDD	Full Circle Due Diligence
FDA	Food and Drugs Administration
FIATA	The International Federation of Freight Forwarders
FTA	Free Trade Area
JABA	The American Chamber of Commerce in Jordan
JCD	Jordan Customs Department
JEA	Jordan Exporters Association
JFTA	Jordan-US Free Trade Agreement
JGATE	Jordan Garments, Accessories & Textiles Exporters' Association
JIEC	Jordan Industrial Estates Corporation
JIPR	Jordan Intellectual Property Rights Association
JISM	Jordan Institute for Standards and Metrology
GAFTA	Greater Arab Free Trade Area
GISIS	Global Integrated Shipping Information System
GLDD	Golden List Due Diligence

GRN	Goods Receipt Note
GSP	General System of Preferences
GVS	Global Village Strategies
HACCP	Hazard Analysis Critical Control Point
HLSG	High Level Strategic Group
HTS	Harmonized Tariff System
IATA	International Air Transport Association
ICT	Information and communication technologies
I.D.	Identification
ILO	International Labor Organization
IMDG	International Maritime Dangerous Goods Code
IMO	International Maritime Organization
INCOTERMS	International Commercial Terms
IPR	Intellectual Property Rights
IRU	International Road Union
ISCM	Integrated Supply Chain Management
ISO	International Organization of Standardization
ISPS	International Ship and Port Facility Security Guide
ISSC	International Ship Security Certificate
ITPWG	United Nations International Trade Procedures Working Group
ITPWG	IT Projects Working Group
JEAA	Jordan – European Association Agreement
JABA	American Chamber of Commerce in Jordan
LRIT	Long Range Identification and Tracking
MIG	Message Implementation Guidelines
MIT	Ministry of Industry and Trade
NAFTA	North American Free Trade Agreement
NII	Non-intrusive inspection
NTR	Normal Trade Relations
OACI	International Civil Aviation Organization (ICAO)
OPS	Operation Port Shield
OSC	Operation Safe Commerce
PFRA	Port Facility Risk Assessment
PFSP	Port Facility Security Plan
PKI	Public Key Infrastructure
PNSI	Prior Notice System Interface
PPQ	Plant Protection and Quarantine
PRA	Port Risk Assessment
PSA	Port Security Assessment
PSP	Port Security Plan
RFID	Radio Frequency Identification
RKC	Revised Kyoto Convention
QIZ	Qualified Industrial Zone
SAD	Single Administrative Document (EU)
SCM	Supply Chain Management
SCIP	Super Carrier Initiative Program
SED	Standard Export Document
SOLAS	International Convention for the Safety of Life at Sea
SPI	Special Program Indicator
SRA	Standardized Risk Assessment
SSAS	Ship Security Alert System
SST	Smart and Secure Trade lanes
TIR	Transport International Routiers
TRIPS	Trade Related aspects of Intellectual Property
TRS	Time Release Study

UCR	Unique Consignment Reference
UN/CEFACT	United Nations/Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport
UNDG	United Nations Dangerous Goods Identifier
USAID	United States Agency for International Development
VAT	Value Added Tax
WCO	World Customs Organization
WIPO	World International Property Organization
WTO	World Trade Organization
XML	Extensible Mark-up Language

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Executive Summary

During 2004 the Jordan Customs Department (JCD) Risk Management Directorate approved documented customs and supply chain security due diligence methods as part of its Golden List Program. A list of membership benefits is included in Jordan Custom's web site. The Golden List Program complies with the World Customs Organization (WCO) "Authorized Economic Operator" concept of recognizing compliant, low-risk companies. It also complies with the WCO Framework Standards to Secure and Facilitate Global Trade Pillar for Customs-to-Business partnership. The section on Golden List Program security is also similar to Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria.

To become a member in the Golden List, companies must prepare and complete self-assessment before seeking an audit performed by the JCD. Self-assessment is completed using one of the six customs due diligence models. The AMIR Program prepared and then completed these models in collaboration with the JCD, and eight volunteer companies used the models to carry out self-assessments. Each model includes steps to document compliance with the Jordan Custom Law and customs rules and regulations. Compliance includes the provision of details on merchandise description, rules of origin, valuation, tariff classification, intellectual property, customs declaration, temporary import and bi-lateral free trade agreements. Each of the six due diligence models includes WCO framework standards. The model checklists provide a method to lower risk of non-compliance and increase security standards.

Jordan Customs Department carried out customs and supply chain security audits on four volunteer Jordanian companies. Petra Engineering Industries Co. that exports to the United States became the first "Golden List" program member. Using customs and supply chain security compliance and radio frequency identification device (RFID) tags, Petra Engineering Industries Co. carried out a test shipment from Jordan through the Port of Aqaba to the Port of New York and New Jersey. At the same time, the JCD Risk Management Directorate sent copies of the outbound container inspection reports to U.S. Customs in Port New York and New Jersey. The data elements in the outbound report complied with U.S. Customs needs. As a result of the combination of RFID tagging and implementation of compliance documentation, Petra reduced port clearance times from between 14 and 21 days to 1 day. Using RFID tags and the new procedures Petra saved about US\$1,000 per container.

During this consultancy, two workshops were conducted that provided training to 32 consultants and company supply chain personnel. Workshop tasks included completing self-assessment checklists, preparing improvement plans, work plans, and technical assignments. After the workshops, five consultants started 'for-fee' services to clients offering customs and supply chain due diligence compliance and several companies indicated that they would start customs due diligence to seek Golden List membership. JGATE, Jordan's textile and garment business association, started to offer for-fee due diligence consulting to its 39 member companies, and started actual implementation of due diligence consulting with two garment manufacturers.

During a meeting among the eight beta test companies and the JCD Risk Management Directorate staff, an action plan was agreed to finish the beta test stage of the Golden List Program by taking the following steps:

- Customs complete the Golden List logo by 24 June 2005;
- Risk Management Directorate staff completes all beta test audits by 15 July 2005;
- Decide audit standards by 1 August 2005 through a working group of Customs and the test companies;
- Customs complete the Golden List web site before 15 August 2005;

- Customs launch the Golden List Program on 15 August 2005.

The following nine recommendations explain how the JCD could further improve customs and supply chain security. The trading ability of Jordan with the United States will ultimately be achieved by obtaining U.S. Customs and Border Protection (USCBP) approval for the Golden List Program and fulfilling WCO Pillars I and II.

Recommendations

1. The Jordan Customs Department Risk Management Directorate completes an audit schedule with beta volunteer companies as soon as possible.

- Complete audits of beta test companies using a cascade schedule. Carry out audits using a three-person team during seven to ten days. Agree cascade schedule with beta test companies.
- Complete all beta test audits by 15 July 2005.
- Accepts and approves participant company improvement plans and target dates.
- Awards certification to companies having Golden List Program membership.
- List Golden List Program members on JCD website.

2. JCD and the eight beta-test companies agree to standards for the six customs due diligence models¹

- Each of the six due diligence models that has different checklists needs re-validation for compliance with Jordan Customs Law and rules and regulations on a scheduled basis. This re-review should be on no less than an annual basis from the date of the official launch of the Golden list Program.
- The eight beta test companies must agree to standards with JCD Risk Management Directorate, which then must undergo periodic review to update standards. The JCD could establish a Consultative Council to update the standards, and invite the beta test companies to become members of that council. A working group formed as part of the Council could create a body to update standards.
- JCD publishes current standards on its website.

3. Customs and beta-test companies agree options offered to Golden List participants.

A translation of the initial list of benefits on the JCD website into English would inform the suppliers and buyers of Jordanian companies of the Golden List Program.

Upon completing an audit, companies could negotiate the Golden List Program benefits with the JCD from the officially offered list of options, which could include

- Reduced border crossing wait times. (Note: involving the Border Management Task Force would help define ways of reducing wait times. This process could include benchmarking and conducting a time release study.)

¹ Carried out through meetings with the JCD Director General and the Risk Management Directorate Director.

- Implementation of fast-track lanes for Golden List Program members in Port Aqaba and all border crossing points.
- Display of “Golden List Program Cargo” signs on front of tractor units.
- Introduction of bank guarantee facilities.
- Simplification and fast-tracking of export documentation at Jordan customs houses.
- Provision of Jordan customs house on-site container sealing and outbound inspection reports rather than the current practice of sealing and outbound inspection at the Customs Offices.
- Sending of outbound inspection reports to other customs administrations on the transit route and final destination.
- Providing Port Aqaba fast-track lanes for export and import. (Agreement needed from APM Terminals²)

Collaboration with the private sector in revising Customs Golden List Program benefits should be an ongoing process through the Consultative Council working group suggested in recommendation 1

4. Identify Golden List Program marketing benefits to suggested member companies.

Each Golden List Program member agrees which marketing benefits suit its need and suggests them to the JCD. Identifying marketing benefits with the JCD helps other companies understand the Golden List idea, which would be further supported by the publication of the benefits on website of the Jordanian business associations and private companies³ and the JCD. For example, company marketing benefits may include:

- Publishing Golden List logo on company web site with hotlink to the JCD Golden List Program page
- Allowing truck signs with Golden List logo
- Inserting logo on company stationery
- Including logo and explanation to sales brochures
- Presenting awards and recognitions from Customs
- Providing wall plaques
- Sending certification to buyers
- Adding to e-mail signature
- Adding logo to business cards
- Advertising in target markets
- Directing mail to target customers

Direct Jordan Customs Risk Management Golden List marketing includes:

- 15 August 2005 Golden List Program launch will include a large publicity event
- Television and radio broadcasts
- Leaflet
- Dedicated website owned by the JCD (similar in design to C-TPAT web site), to be completed before 15 August 2005.
- Poster advertisements at customs houses, border crossing points, airports, Chambers of Commerce, qualifying industrial zone (QIZ) offices and trade association offices.

² APM Terminals, one of the A. P. Moller – Maersk Group, manage Port Aqaba Container Terminal.

³ For example, JGATE, Jordan Exporters Association, American Chamber of Commerce in Jordan, Jordan Pharmaceutical Association, Dead Sea Products, Olive Oil, Stone and Marble, Jewelry, Furniture, Fruit and Vegetables and Food Products.

5. Jordan Customs Department Golden List Program seeks mutual recognition status under the WCO Framework with the USCBP as an equivalent supply chain security program to the US C-TPAT program.

Jordan Customs opens dialog directly with US counterparts in USCBP to begin a formal review of the Jordan Customs Golden List Program for customs-to-customs mutual recognition.

6. Seek signature of the Director General of the JCD on the Letter of Intent of the WCO Resolution of the Customs Co-operation Council on the Framework of Standards to Secure and Facilitate Global Trade⁴

- Send Letter of Intent to the Secretary General of the WCO, which will confirm Jordan's decision to fulfill the Framework of Standards to Secure and Facilitate Global Trade.
- Fulfill the Resolution in Jordan.

7. Fulfill Customs-to-Customs Network Arrangements Technical Specifications to Pillar 1 WCO Framework of Standards to Secure and Facilitate Global Trade⁵

- Jordan customs-to-business partners ask the DG of the JCD to prepare and complete an action program. The action plan should include inviting other customs administrations to fulfill Pillar 1 with Jordan Customs Department. Other customs administrations should include important trading partners with Jordan.
- Fulfill WCO Pillar 1 Standards in Jordan.

8. Fulfill Customs-to-Business Partnerships Technical Specifications to Pillar 2 WCO Framework of Standards to Secure and Facilitate Global Trade⁶

- Customs prepare an action program to be implemented JCD that fulfills the WCO Pillar 1 standards.
- Invite eight volunteer companies to join the Jordan Customs Consultative Council.
- Change the role of the Consultative Council to include customs and supply chain security and Golden List Program as a working group in the Consultative Council. Include customs and supply chain security and Golden List on Council meeting agendas.
- Fulfill WCO Pillar 2 Standards in Jordan.

9. Agree on Golden List member fast-track lanes for imports and exports at border crossing points and Jordan Customs Houses.

- Jordan Customs Department prepares and completes fast-track lanes for Golden List members at border crossing points.

⁴ Draft Resolution WCO Framework of Standards to Secure and Facilitate Global Trade version 2.0, pp. 39-42.

⁵ Annex 1 – WCO Framework Customs-to-Customs Network Arrangements Technical Specifications to Pillar 1, pp. 13-33.

⁶ Annex 2 – WCO Framework Customs-to-Customs Network Arrangements Technical Specifications to Pillar 2, pp. 34-38.

- Involve Border Management Task Force in preparing and completing fast-track lanes and one-window standards.
- Port Aqaba prepares and completes fast-track lanes for export and import.
- Jordan Customs Department fulfills fast-track container sealing at exporters' premises. Customs Houses complete inspection report and send outbound inspection report to other customs administrations.

1. Introduction

Consultant missions during the 1February-7 March 2005 and 4 May-24 June 2005 helped improve customs and supply chain security in Jordan.

The tasks during the first mission included:

1. Provided technical assistance for beta test companies to complete self-assessment, fulfill improvement plans and seek Jordan Customs Risk Management audit.
2. Participated in first customs audit meetings.
3. Assisted the test shipment from Petra Engineering Industries Co through the Port of New York and New Jersey.
4. Participated with Dr. Mohamed Tarawneh, Director IRC, working with eight beta test companies.
5. Attended a Jordan customs-to-business partnership meeting.
6. Prepared and completed a customs and supply chain security seminar for QIZ companies.

The tasks during the second mission included:

1. Provided technical assistance for beta test companies to get Jordan Customs Risk Management audits.
2. Attended the WCO Framework of Standards Awareness Meeting 16 May 2005.
3. Prepared and completed a new reference manual for customs and supply chain security consultants. Reference manual was used to train the trainers.
4. Prepared and completed Reading Materials Volume I for consultants.
5. Prepared and completed Reading Materials Volume II for consultants.
6. Prepared and completed Reading Materials Volume III for consultants.
7. Prepared and completed a newspaper advertisement for the proposed training.
8. Checked on the status of the test shipment of 40 containers from Petra Engineering to the United States.
9. Helped Operation Safe Commerce consultant identify an exporter with 150 containers going from Jordan to the United States.
10. Fulfilled two customs and supply chain security courses.
11. Carried out one-on-one training with beta test company personnel. Carried out one-on-one training with participants from workshops.
12. Started consultant companies and JGATE to offer fee-for-service customs due diligence implementation services in Jordan.
13. Prepared and completed two self-assessments and two improvement plans with JGATE and two garment manufacturers.
14. Prepared and completed a Golden List marketing meeting.
15. Helped prepare and complete “Your Transfer Options from QIZ to FTA” seminar.
16. Prepared and completed a Final Report. The Final Report includes nine recommendations. Explained how each recommendation could be implemented.

During the time between the two missions, USCBP announced new C-TPAT import criteria that came into force on 25 March 2005. The new C-TPAT criteria must be fulfilled by U.S. importers by 26 September 2005 or U.S. importers risk losing their C-TPAT certification. U.S. importers are obliged to determine whether their foreign manufacturers fulfill supply chain security meeting C-TPAT security criteria, which is based on three USCBP documents:

1. C-TPAT Importer Security Criteria
2. C-TPAT Foreign Manufacturer Security Profile
3. C-TPAT Foreign Manufacturer Security Recommendations

2. Fulfilling Customs and Supply Chain Security Due Diligence in Jordan

2.1 First Mission Tasks

2.1.1 Technical Assistance

Provided technical assistance for beta test companies to complete self-assessment, fulfill improvement plans and seek Jordan Customs Risk Management audit:

- On site one-on-one training;
- Prepared and completed Prime-5 Garment Manufacturing due diligence procedures;
- Checking self-assessment beta test company progress;
- Checking letter seeking Jordan Customs audit progress.

2.1.2 First Audit Meetings

Participated first audit meetings:

- Provided advice during Jordan Customs auditor and Petra Engineering meeting;
- Gained acceptance by auditors of Petra Engineering Customs Compliance Manual;
- Gained acceptance by auditors of export due diligence model.

2.1.3 Test Shipment

Assisted in test shipment from Petra Engineering Industries Co to Port Authority New York and New Jersey.

Case Study: End-to-End Supply Chain Test

Port Aqaba, Jordan to Port Authority New York & New Jersey, U.S.A.

Petra Engineering Industries Co in Amman Jordan completed a number of new customs and supply chain security procedures during 2004 and 2005.

Petra completed an internal customs and supply chain security due diligence using the export model. Petra was audited by Jordan Customs Risk Management. Because of a successful audit, Petra received Jordan Customs Golden List membership.

Demonstration

Port Aqaba and Port Authority New York & New Jersey served as the origin and destination points.

Petra Engineering Industries Co produces, packs and carries out shipping (e.g. loading and sealing containers) for all products destined to the United States.

All activities are performed in a factory owned and controlled by Petra Engineering.

Petra fixed RFID tags to 40 containers to U.S. importers on the East Coast of the United States. Jordan Customs Risk Management completed outbound container inspection reports. Jordan Customs sent the inspection reports to U.S. Customs.

Containers sealed at the factory and tagged with RFID tags were trucked to Port Aqaba in Maersk containers. Port Aqaba is ISPS certified.

Maersk Shipping lines carried the 40 containers from Port Aqaba to Port New York and New Jersey. Maersk is C-TPAT certified.

RFID tags were “read” by RFID readers in Jordan and in Port New York and New Jersey. RFID technology provider International Technologies Corporation gave technical training to Petra and networked with U.S. Customs & Border Protection.

U.S. Customs and Border Protection in Port Authority New York and New Jersey checked the contents of the containers by reading the RFID tags.

Maersk Logistics trucked the containers from Port New York to the U.S. importers.

Benefits

Showing Jordan exporters a secure, tracked and managed supply chain to the U.S.A.

Showing Jordan export companies how to prepare and complete a secure supply chain which saves money and time.

For example, Petra reduced the US Customs import clearance time from between 14 and 21 days to 1 day. Petra saved money using customs and supply chain security compliance and RFID technology. Petra Engineering Industries Co can send JCD Golden List certification to U.S. buyers. Petra hopes to win new business in the United States.

By reducing import delays Petra saved between US\$750 to US\$1,000 per container.

Petra Engineering Industries Co Golden List supply chain security compared with C-TPAT needs:

No	Security criteria	C-TPAT needs	Petra
1	Physical Security	Yes	✓
2	Access Controls	Yes	✓
3	Personnel Security	Yes	✓
4	Education and Training Awareness	Yes	✓
5	Conveyance Security	Yes	✓
6	Trading and Transportation Security	Yes	✓
7	Internal Company Record Keeping Method	Yes	✓
8	Documentation and Information Method	Yes	✓

2.1.4 Beta Test Companies

Participated with Dr. Mohamed Tarawneh, Director IRC, in working with eight beta test companies:

- Seeking Jordan Customs Risk Management audits for Kareem Logistics International Forwarding, Salam Shipping & Forwarding Agency and Ammon Shipping & Transport, Al-Keena Paper Hygiene Products (Nuqul Group) and Near East Equipment;
- Seeking Jordan Customs Risk Management audits for Petra Engineering Industries Co for import and warehouse;
- Meetings with Jordan Customs Risk Management Directorate.

2.1.5 Meetings

Attended Jordan customs-to-business partnership meetings:

- Prepared and completed a meeting among the eight beta test companies and His Excellency the Director General for Jordan Customs Department;
- Garnered support from the Director General for customs and supply chain security due diligence;
- Convinced Director General to assign more auditors;
- Assisted Jordan Customs Risk Management in completing audits.

2.1.6 Supply Chain Security Seminar

Prepared and completed a customs and supply chain security seminar for QIZ companies:

- Seminar fulfilled 28 February 2005;
- Ownership of customs and supply chain confirmed by Naouri Group⁷ sponsoring seminar attended by 60 QIZ companies;
- Speakers included Jordan Customs Risk Management, APM Terminals (Operating Port Aqaba container terminal), American Chamber of Commerce, and Naouri Group;
- Joint presentation given by AMIR Program customs consultant Jan Tomczyk and Mr. Mohammad Khoury, Chief Administrative Officer for QIZ Prime-5 Garment Manufacturing Co.

2.2 Second Mission Tasks

2.2.1 Technical Assistance: Audits

Provided technical assistance for beta test companies to get Jordan Customs Risk Management audits:

- Checked Jordan Customs Risk Management audit schedule; and
- Proposed cascade audit schedule.

2.2.2 WCO Meeting

Attended WCO Framework of Standards Awareness Meeting 16 May 2005:

- Met WCO Deputy Secretary General Kunio Mikuriya;
- Explained customs and supply chain security due diligence beta test;
- Explained success Petra Engineering got using due diligence and RFID;
- Identified need for Customs-to-Business Partnership in Jordan.

⁷ Naouri Group sponsored the seminar “Your Transition Options from QIZ to FTA” held on 16 June 2005 and attended by over 100 participants.

2.2.3 Reference Manual

Prepared and completed a new 77 page reference manual for customs and supply chain security consultants:

Reference Manual Content

1. Introduction to the Consultant Reference Manual
2. Consultant Training Outline
3. Workshop Plan and Training Needs
4. Workshop 1: Training needs assessment with client staffs
5. Workshop 2: Carrying out customs and supply chain security method training
6. Workshop 3: Carry out Jordan Customs Law due diligence
7. Workshop 4: Carry out supply chain security due diligence
8. Reading materials
9. Evaluation questionnaire

2.2.4 Reading Materials

Prepared and completed Reading Materials Volume I for consultants:

1. WCO High-Level Strategic Group Framework of Standards to Secure and Facilitate Global Trade version 2.0
2. Full Circle Due Diligence by Walter Hekala
3. Cascade Customs Audit Method
4. Press information about JCD Golden List in Arabic and English
5. Manifest data elements for the USA

Prepared and completed Reading Materials Volume II for consultants:

1. Dr. Mohamed Tarawneh, Director IRC. Prepared sample supply chain security procedures..

Prepared and completed Reading Materials Volume III for consultants:

Six generic customs due diligence models:

1. Export
2. Import
3. Warehouse operators
4. Customs Brokers
5. Transport operators
6. QIZ

2.2.5 Newspaper Advertisement

Prepared and completed a newspaper advertisement:

- One-page advert explaining customs and supply chain security training workshop;
- 55 respondents.

2.2.6 Monitoring

Checked progress of Petra Engineering Industries Co audit report:

- Jordan Customs Department awards Golden List membership;
- Audit Report not provided;
- No list of privileges provided.

2.2.7 Technical Assistance: Containers

Helped Operation Safe Commerce find containers:

- Containers needed from Jordan to Port Aqaba to Port New York and New Jersey;
- Attended status meeting consultant Ken Donaldson and JGATE;
- Identified companies: Camel Textiles, Mediterranean Resources Apparel, United Creations, Jordash, Century Miracle, Tayar, EAM Maliban Textiles and Al Jazy Shipping;
- Need to get commitment from Jordan companies;
- Petra Engineering Industries Co committed 150 containers.

2.2.8 Training Courses

Fulfilled 10-day customs and supply chain security courses:

Task	Input	Output
Two training courses each lasting 10 days	Two training workshops each lasting 2-days	Reading material Volume I, II and III
	Newspaper advert	Trained 32 consultants and company supply chain personnel
	Acceptance letter	
	Schedule	Reference Manual
	2-day consultant assignments	5 consultants start paid client customs and supply chain security due diligence
	One-on-one consultant training lasting 6-days	
	Checking consultant assignments and giving advise lasting 6-days	JGATE agrees to offer for fee services to 39 member companies
	Certificates	Trained JGATE consultant
	Training-the-trainer at JGATE	JGATE started customs due diligence with two garment manufacturers: prepared and completed self-assessments and improvement plans.

- Prepared and completed a training course for potential participants from the private sector to enable them to provide technical assistance to the international trade community. Carried out training for participants to apply client customs and supply chain security due diligence;

- Completed course workshop with four parts:
 1. Training needs assessment;
 2. Customs and supply chain training method;
 3. Carry out Jordan Customs Law due diligence;
 4. Carry out supply chain security due diligence.

Workshop 1: Training needs assessment of client staffs

1. Client management development and gap analysis;
2. Management development needs assessment;
3. Defining and setting training needs priorities;
4. Preparing and completing training program.

Workshop 2: Customs and supply chain security due diligence training methods

1. Customs due diligence terminology, abbreviations and acronyms;
2. Explanation of the six customs due diligence models;
3. Customs due diligence objectives;
4. Supply chain security;
5. Jordan Customs compliance audit;
6. Case study;
7. Due diligence method: TNA, Preliminary Checklist, Self-Assessment; Improvement Plan, Seeking JCD Audit;
8. Preliminary Check;
9. Improvement Plan to complete compliance;
10. Seeking a JCD audit and getting JCD Golden List membership
11. Use of electronic data transfer: RFID;
12. Marketing: supply chain security acknowledgement form; proving customs and supply chain security to U.S. buyers

Workshop 3: Carrying out Jordan Law due diligence for a client

1. Using six generic customs models;
2. Explaining customs due diligence: rules of origin, valuation, tariff classification, temporary import, bi-lateral free trade agreements and other compliance items;
3. Explaining sample procedures.

Workshop 4: Carry out a supply chain security due diligence

1. Explaining supply chain security procedures;
2. Explaining sample supply chain security procedures;
3. Explaining U.S. importer needs;
4. Explaining “what is reasonable and practical”
5. Case study by Kareem Logistics and Petra Engineering Industries Co.

Tasked participants with 4 assignments

1. Carrying out a client training needs assignment;
2. Carrying out a client's preliminary checklist;
3. Completing a client's customs and supply chain security due diligence work plan;
4. Completing a client's outline Customs Compliance Manual

Carried out one-on-one consultant training for the following companies:

- House of Planning Consultant Engineers;
- Rula Zein-Iddin;
- Levant Consultants;
- JGATE;
- Alpha Marketing Services Company;
- Golden Ratio and Testing Company;
- Touqan Consulting Company;
- Al Jazy Shipping & Forwarders;
- Mediterranean Resources Apparel Industry;
- EAM Maliban Textiles Jordan;
- Golden Ratio.

Five of the above consultant companies started customs and supply chain security due diligence with clients. JGATE agreed to provide paid due diligence consulting to its 39 members. JGATE's advocacy work includes customs and improving transport efficiency.⁸ Author also completed train-the-trainer program with JGATE, which included completing self-assessment and an improvement plan with two clients.

JGATE trainer tested his ability to prepare and complete a customs and supply chain self-assessment with two garment manufacturers. JGATE may opt to sub-contract self-assessment to a private company. Carrying out this option would be taken if JGATE received too many member requests to fulfill.

2.2.9 Marketing Plan

Prepared and completed a Golden List marketing plan:

The eight beta test companies completed an action plan with Jordan Customs Risk Management Directorate to fulfill the Golden List Program. Complete the Golden List logo by the 24 June 2005. Jordan Customs Risk Management completes all beta test audits by 15 July 2005. Decide audit standards by 1 August 2005. Complete the Golden List web site before 15 August 2005. Launch the Golden List Program on 15 August 2005.

2.2.10 QIZ to FTA Seminar

Helped to prepare and complete "Your Transfer Options from QIZ to FTA" seminar:

- Getting speakers;
- Preparing and completing invitation letter.

2.2.11 Final Report

Prepared and completed a final report containing:

- Listing of nine recommendations;

⁸ Jordan Garments, Accessories & Textiles Exporters' Association, 2004 Annual Report, p. 7.

- Explaining how each recommendation could be fulfilled;
- Comparing Jordan Customs Department and supply chain with C-TPAT;
- Comparing Jordan Customs Department with WCO Framework Structure to Secure and Facilitate Global Trade;
- Report conclusions explain improving customs due diligence.

3. Jordan Customs and Supply Chain Security Due Diligence

3.1 Beta Test Companies

Each beta test company completed a customs and supply chain security self-assessment using six different types of due diligence checklists:

1. Export
2. Import
3. Warehouse operator
4. Transport operator
5. Customs Broker
6. QIZ

The checklists comply with Jordan Customs Law and customs rules and regulations and include several parts. For example, the export due diligence checklist includes merchandise description, rules of origin, valuation, tariff classification, re-export and bilateral free trade agreements. Likewise, the checklists also include standards from WCO Co-operation Council High Level Guidelines For Co-operative Arrangements Between Members and Private Industry To Increase Supply Chain Security and Facilitate The Flow of International Trade (TF0004E3, Brussels, 13 May 2003).

One part of the self-assessment supply chain security checklist includes similar criteria to C-TPAT:

- Procedural Security
- Physical Security
- Access Controls
- Personnel Security
- Education and Training Awareness
- Conveyance Security
- Service Provider Needs: forwarders and operative sub contractors
- Trading and Transport Operator Security
- Internal Company Record Keeping Method
- Documentation and Information Processing Method
- Internal Finance and Accountancy Controls

Jordanian companies prepared and completed a Customs Compliance Manual. The manual includes compliance with Jordan Customs Law, customs rules and regulations, and a number of supply chain security items. The manual includes written procedures and documented proof that the company fulfills the written procedures. The Risk Management Directorate audits test company ability to share responsibility for customs compliance.

After 25 March 2005 USCBP will validate whether or not U.S. importers carried out due diligence to verify security at foreign factories. United States importers who are C-TPAT members must adopt the new criteria by 26 September 2005 and are obliged to check if their business partners fulfilled security measures that meet C-PAT security criteria. They are also obliged to check if their business partners fulfill an equivalent supply chain security program administered by a foreign customs administration.⁹ To fulfill this need, the importer must provide written verified certification. Several garment exporters in Jordan received questionnaires from their U.S. buyers, which included topics on supply chain security.

⁹ “New security criteria for C-TPAT importers”, *International Freight Journal*.

3.2 U.S Importer C-TPAT Security Criteria¹⁰

United States importers must conduct a comprehensive assessment of their international supply chain based on C-TPAT security criteria. Where an importer outsources or contracts certain elements of their supply chain, such as a foreign facility, conveyance, domestic warehouse, or other elements, the importer must work with these business partners to ensure that pertinent security measures are in place. The U.S. importer must ensure that the security measures are adhered to throughout their supply chain. The supply chain for C-TPAT is defined from point of origin (manufacturer/supplier/vendor) through to point of distribution – and recognizes the diverse business models C-TPAT members employ.

C-TPAT recognizes the complexity of international supply chains and endorses the application and implementation of security measures based on risk analysis. Therefore, the program allows for flexibility and the customization of security plans based on U.S. member's business model. Appropriate security measures, as listed below, must be implemented and maintained throughout the importer's supply chains – based on risk.

3.2.2. Business Partner Requirements

Importers must have written and verifiable processes for the selection of business partners including manufacturers, product suppliers and vendors.

Security Procedures

For those business partners not eligible for C-TPAT certification, importers must require their business partners to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation (e.g., contractual obligations; via a letter from a senior business partner officer attesting to compliance; a written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, by providing a completed importer security questionnaire).

Based on documented risk assessment, non-C-TPAT eligible business partners must be subject to verification of compliance with C-TPAT security criteria by the importer.

Point of Origin

Importers must ensure business partners develop security procedures consistent with the C-TPAT security criteria to improve the integrity of the shipment at point of origin. Periodic reviews of business partners' procedures and facilities should be conducted based on risk, and should maintain the security standards needed by the importer.

Participation / Certification in Foreign Customs Administrations Supply Chain Security Programs

Current or prospective business partners who have obtained certification in a supply chain security program administered by foreign Customs Administrations should be required to indicate their status of participation to the importer.

3.2.3 Container Security

¹⁰ C-TPAT Importer Security Criteria, www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/criteria_importers/ctpat_importer_criteria.xml

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At point of stuffing, procedures must be in place to properly seal and maintain the integrity of the shipping containers. A high security seal must be affixed to all loaded containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.

3.2.4 Container Inspection

Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, to include the reliability of the locking mechanisms of the doors. A seven-point inspection process is recommended for all containers:

- Front wall
- Left side
- Right side
- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

Criteria include:

- Container seals
- Container Storage

3.2.5 Physical Access Controls

Include:

- Employees
- Visitors
- Deliveries (including mail)
- Challenging and removing unauthorized persons

3.2.6 Personnel Security

Include:

- Pre-employment checking
- Background checks/investigations
- Personnel termination procedures

3.2.7 Procedural Security

Security measures must be in place to ensure the integrity and security of methods relevant to the transport, handling and storage of cargo in the supply chain, and include:

- Documentation methods
- Manifesting methods
- Shipping and receiving
- Cargo discrepancies

3.2.8 Security Training and Threat Awareness

Physical Security

Cargo handling and storage facilities in domestic and foreign locations must have physical barriers and deterrents that guard against unauthorized access. Importers should incorporate the following C-TPAT physical security criteria throughout their supply chains as possible.

- Fencing
- Gates and Gate Houses
- Parking
- Building structure
- Locking devices and key controls
- Lighting
- Alarm systems & video surveillance cameras

Information Technology Security

Include:

- Password protection
- Accountability

3.3 U.S. Importer C-TPAT Foreign Manufacturer Security Profile¹¹

Completing the security profile importers must fulfill the needs of the C-TPAT Agreement for Foreign Manufacturers. If any of the needs are not in place the importer must include a plan and a target date for fulfilling the needs.

- Security Program
 1. Facilities security
 2. Theft prevention
 3. Shipping and receiving controls
 4. Information security controls – integrity of automated systems
 5. Internal controls – method established for reporting and correcting problems
- Personnel Security
 1. Pre-employment screening & periodic background reviews
 2. Employee training on security awareness and security methods
 3. Internal codes of conduct
 4. Internal controls – methods established for reporting and managing problems related to personnel security
- Service Provider Needs (Carriers and Forwarders)
 1. Written standards for service providers' physical equipment security
 2. Quality controls on production methods to ensure system integrity
 3. Financial assessment method to decide service providers fiscal soundness and ability to provide adequate security
 4. Internal controls selecting service providers
 5. Indicate service provider participation in Customs Industry Partnership Programs: C-TPAT, Carrier Initiative Program (CIP) and/or the Business Anti-Smuggling Coalition (BASC).

U.S. importers must outline procedures to U.S. Customs & Border Protection in a verifiable format at an identified location.

¹¹ C-TPAT Foreign Manufacturers Security Profile, www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/foreign_manuf/security_profile.xml

- U.S importers include an assessment of security methods and information about plans to correct weaknesses.

Weaknesses will not prohibit U.S. importer participation in C-TPAT.

Note: Jordan Customs due diligence checklists include Jordan Customs Law and Rules in addition to security standards.

3.4 U.S. Importer C-TPAT Foreign Manufacturer Security Recommendations¹²

Foreign manufacturers should complete and fulfill a comprehensive plan to improve security procedures throughout their operations. These are general recommendations that should be followed on a case-by-case basis depending on the company’s size and structure. The recommendations may not be applicable to all companies. The company should complete written security procedures that address the following C-TPAT recommendations:

No	C-TPAT Foreign Manufacturer Security Recommendations	Jordan Customs Department Export Due Diligence Model Checklist Criteria
1	Procedural Security: 7 items	Procedural Security: 22 items
2	Physical Security: 5 items	Physical Security: 13 items
3	Access Controls: 2 items	Access Controls: 8 items
4	Personnel Security: 2 items	Personnel Security: 17 items
5	Education and Training Awareness: 5 items	Education and Training Awareness: 10 items
6	Threat Awareness: 3 items	Conveyance Security: 11 items
7		Service Provider Needs: forwarders and sub-contractors: 6 items
8		Trading and Transport Operator Security: 10 items
9		Internal Company Record Keeping Method: 9 items
10		Documentation and Information Processing Security: 15 items
11		Internal Finance and Accounting Controls: 11 items

The Jordan Customs Department export due diligence checklist contains more criteria compared with C-TPAT criteria. Each Jordan criteria contains more items compared with C-TPAT.

3.5 U.S. Importer C-TPAT Validation Process Guidelines¹³

U.S. Customs check U.S. participant security measures. Validation ensures supply chain security measures are fulfilled. Validation ensures supply chain security effectiveness.

3.5.1 Comparing Validation Methods: C-TPAT and Jordan Golden List

¹² C-TPAT Foreign Manufacturer Security Recommendations
www.cbp.gov/xp/cgov/import/commercial_enforcement/ctpat/foreign_manuf/security_recommendations.xml

¹³ www.cbp.gov

No	C-TPAT	Jordan Golden List
1	<p><u>Validation Principles</u></p> <ul style="list-style-type: none"> • Partnership • Voluntary • Jointly review participant security • Share “best practices” • Checking is not auditing • Lasting not more than 10 days 	<p><u>Validation Principles</u></p> <ul style="list-style-type: none"> • Partnership • Voluntary • Jointly review participant security • Share “best practices” • Compliance audit • Lasting between 7 and 10 days
2	<p><u>Carrying Out Validation</u></p> <p>Checking Selection Method</p> <ul style="list-style-type: none"> • Based on risk management • Import volume • Security related anomalies • Strategic threat • C-TPAT first check after 3 years • No announced checks • 30-day written notice prior to check 	<p><u>Carrying Out Validation</u></p> <p>Checking Selection Method</p> <ul style="list-style-type: none"> • Based on risk management • Import volume • Security related anomalies • Next check to be decided • One week written notice prior to check
3	<p><u>Partnership Validation Teams (PVT)</u></p> <ul style="list-style-type: none"> • Consisting of Customs Officers and C-TPAT representative • Experience with supply chain security • Received supply chain security training • Received industry partnership training • PVT decide focus of check 	<p><u>Compliance Auditor Teams (CAT)</u></p> <ul style="list-style-type: none"> • Consisting of Risk Management Directorate auditors • Received risk management audit training • Risk Management Directorate decide focus of audit
	<p><u>Validation Venue</u></p> <ul style="list-style-type: none"> • On-site review of supply chain security profile • Start with briefing meeting with company personnel at company site • Requesting data to check C-TPAT supply chain by PVT leader 	<p><u>Validation Venue</u></p> <ul style="list-style-type: none"> • On-site audit of customs and supply chain security • Start with briefing meeting with company personnel at company site • Requesting data to check customs and transaction compliance and supply chain security by CAT leader
4	<p><u>Validation Procedures</u></p> <ul style="list-style-type: none"> • PVT leader provides written review notification • 30-day written notification 	<p><u>Validation Procedures</u></p> <ul style="list-style-type: none"> • CAT leader provides written review notification • 7-day written notification

	<ul style="list-style-type: none"> • PVT leader requests support documentation • Establish single point of contact • Each review is customized for participants focusing on C-TPAT security profile and any support information from the company • Recommendations sent to company: see Attachment A to C-TPAT Validation Process Guidelines • Recommendations are not mandatory and are not all-inclusive security practices • Discussing method during briefing before starting review • Discuss review findings during completion meeting • Company Customs Account Manager attends completion meeting 	<ul style="list-style-type: none"> • CAT leader requests support documentation • Establish single point of contact • Each review customised for participants focusing on customs laws, customs rules, transactions and supply chain security. Each company provides a copy of a Customs Compliance Manual • Companies use due diligence checklist: see Jordan Customs Department list of six checklists • Recommendations are not mandatory • Discussing method during briefing before starting audit • Discuss audit findings during completion meeting
5	<p><u>Validation Report</u></p> <ul style="list-style-type: none"> • PVT document findings in Final Report • PVT Final Report submitted to Director of C-TPAT for editing • Director of C-TPAT shares report with company • Depending on the Final Report findings some or all of the C-TPAT benefits may be deferred until corrective action is completed • Actions taken resulting from a review rest with the Executive Director Border Security and Facilitation 	<p><u>Validation Report</u></p> <ul style="list-style-type: none"> • CAT document findings in Final Report • CAT Final Report submitted to Risk Management Directorate for editing • Director of JCD Risk Management Directorate shares report with company • Depending on the Final Report some or all of the Golden List benefits may be deferred until corrective action is completed • Actions taken resulting from an audit rest with the Director General Jordan Customs Department

3.5.2 Comparing C-TPAT Security Recommendations with Jordan Due Diligence Checklists

Jordan due diligence checklists includes Jordan Customs Law and Rules. C-TPAT does not include U.S. Customs Law.

No	C-TPAT Security Recommendations ¹⁴	Jordan Golden List Checklists ¹⁵
1	Importers	Import Due Diligence

¹⁴ Attachment A to C-TPAT Validation Process Guidelines

¹⁵ Jordan Golden List Six Checklists

	<ul style="list-style-type: none"> • Procedural Security: 8 items • Physical Security: 6 items • Access Controls: 3 items • Personnel Security: 2 items • Education and Training Awareness: 5 items • Manifest Procedures: 2 items • Conveyance Security: 5 items 	<ul style="list-style-type: none"> • Procedural Security: 22 items • Physical Security: 13 items • Access Controls: 8 items • Personnel Security: 17 items • Education and Training Awareness: 10 items • Conveyance Security: 11 items • Service Provider Needs for Forwarders and Operative Sub-Contractors: 6 items • Trading and Transport Operator Security: 10 items • Internal Company Record Keeping Method: 9 items • Documentation and Information Processing Security: 15 items • Internal Finance and Accountancy Controls: 11 items
2	<p><u>Brokers</u></p> <ul style="list-style-type: none"> • Procedural Security: 1 item • Documentation Processing: 4 items • Personnel Security: 2 items • Education and Training Awareness: 3 items 	<p><u>Customs Agents Due Diligence</u></p> <ul style="list-style-type: none"> • Process Oversight: 42 items • Information Exchange Coordination: 4 items • Procedural Security: 22 items • Physical Security: 13 items • Access Controls: 8 items • Personnel Security: 17 items • Education and Training Awareness: 10 items • Conveyance Security: 11 items • Service Provider Needs: 6 items • Trading and Transport Operator Security: 10 items • Internal Company Record Keeping Method: 9 items • Documentation and Information Processing Security: 15 items • Internal Finance and Accountancy Controls: 11 items
3	<p><u>Manufacturers</u></p> <ul style="list-style-type: none"> • Physical Security: 6 items • Access Controls: 3 items • Procedural Security: 8 items • Personnel Security: 2 items • Education and Training Awareness: 4 items 	<p><u>Export Due Diligence</u></p> <ul style="list-style-type: none"> • Procedural Security: 22 items • Physical Security: 13 items • Access Controls: 8 items • Personnel Security: 17 items • Education and Training Awareness: 10 items • Conveyance Security: 11 items • Service Provider Needs: 6 items • Trading and Transport Operator Security: 10 items

		<ul style="list-style-type: none"> • Internal Company Record Keeping Method: 9 items • Documentation and Information Processing Security: 15 items • Internal Finance and Accountancy Controls: 11 items
4	<p><u>Warehouses</u></p> <ul style="list-style-type: none"> • Physical Security: 6 items • Access Controls: 3 items • Procedural Security: 7 items • Personnel Security: 2 items • Education and Training Awareness: 5 items 	<p><u>Warehouse Operators Due Diligence</u></p> <ul style="list-style-type: none"> • Physical Security: 9 items • Access Controls: 3 items • Procedural Security: 7 items • Personnel Security: 2 items • Education and Training Awareness: 5 items • Record Keeping and Reporting on Goods Stored in a Warehouse: 35 items • Internal Records and Documentation: 7 items • Risk Management: 4 items including 125 sub-items
5	<p><u>Land Carriers & Sea Carriers & Ocean Transport Intermediaries</u></p> <p>Land Carriers:</p> <ul style="list-style-type: none"> • Conveyance Security: 5 items • Physical Security: 6 items • Access Controls: 3 items • Procedural Security: 9 items • Manifest Procedures: 2 items • Personnel Security: 2 items • Education and Training Awareness: 5 items <p>Sea Carriers:</p> <ul style="list-style-type: none"> • Conveyance Security: 4 items • Access Controls: 3 items • Procedural Security: 5 items • Manifest Procedures: 2 items • Personnel Security: 2 items • Education and Training Awareness: 5 items • Physical Security: 5 items <p>Ocean Transport Intermediaries:</p> <ul style="list-style-type: none"> • Procedural Security: 1 item • Documentation Processing: 6 items • Personnel Security: 2 items • Education and Training 	<p><u>Transport Operators & Ocean Transportation Intermediaries Due Diligence</u></p> <ul style="list-style-type: none"> • Procedural Security: 23 items • Physical Security: 13 items • Access Controls: 8 items • Personal Security: 17 items • Education and Training Awareness: 10 items • Conveyance Security: 8 items • Service Provider Needs: 6 items • Trading and Transport Operator Security: 10 items • Internal Record Keeping Method: 9 items • Documentation and Information Processing Security: 15 items • Internal Finance and Accountancy Controls: 11 items <p>Land Carrier:</p> <ul style="list-style-type: none"> • Responsibilities: 24 items <p>Sea Carrier and Ocean Transport Intermediaries:</p> <ul style="list-style-type: none"> • Responsibilities for onshore facilities: 6 items • Transit: 5 items

	Awareness: 4 items	Sea Port Operator: <ul style="list-style-type: none">• Responsibilities: 24 items
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3.5.3 C-TPAT Foreign Manufacturers Eligibility Requirements and Application Instructions¹⁶

Jordanian companies cannot apply to join C-TPAT. They can provide U.S. importers with written supply chain security procedures, which are administered by the Risk Management Directorate that certifies Golden List companies.

U.S. Customs and Border Protection identified an initial group of foreign manufacturers outside of Mexico that will receive an invitation from CBP to join C-TPAT. These foreign manufacturers must manufacture or produce, as well as pack and prepare for shipping (e.g. loading and sealing containers), any article or item destined for the United States. All of these activities must be performed at a facility that is owned and controlled by the eligible foreign manufacturer.

Foreign manufacturers must receive an invitation from USCBP to join C-TPAT. CBP will implement a phased approach to foreign sector enrollment, and initially will offer participation to Mexican manufacturers, Mexico related parties and a select group of foreign Manufacturers in Asia and Europe that will be invited to participate directly by CBP.¹⁷

¹⁶ C-TPAT Foreign Manufacturers Eligibility Requirements and Application Instructions see www.cbp.gov

¹⁷ FAQs for Foreign Manufacturers, see www.cbp.gov

4. Jordan Customs Due Diligence and WCO Framework of Standards

4.1 Introduction

Jordan Customs Risk Management due diligence checklists includes customs law and rules. The checklists enable companies to complete self-assessment before seeking a Jordan Customs audit. The due diligence checklists include most of the standards explained in the WCO Framework of Standards listed in Pillar I and Pillar II.

The WCO Framework of Standards to Secure and Facilitate Global Trade version 2.0 will go before the WCO's Annual Meeting in June 2005. The WCO Standards include two Annexes:

1. ANNEX 1: Customs-to-Customs Network Arrangements Technical Specifications to Pillar 1
2. ANNEX 2: Customs-to-Business Partnerships Technical Specifications to Pillar 2

4.1.1 Pillar 1 Standards

1. Integrated Supply Chain Management
2. Cargo Inspection Authority
3. Modern Technology in Inspection Equipment
4. Risk Management Systems
5. High Risk Cargo or Container
6. Advance Electronic Information
7. Targeting and Communication
8. Performance Measures
9. Port Security Assessments
10. Employee Integrity
11. Outbound Security Inspections

4.1.2 Pillar 2 Standards

1. Partnership
2. Security
3. Benefits
4. Technology
5. Communication
6. Facilitation

4.2 Comparing WCO Standards with Jordan Customs and Supply Chain Security Due Diligence

WCO proposed final standards ¹⁸	Jordan Customs Golden List and customs and supply chain security due diligence
Customs administrations should:	
<ul style="list-style-type: none"> • Use integrated control procedures outlined by WCO; • Have authority to inspect containers originating or passing through their jurisdiction; • Have available container-scanning and radiation-detection equipment; 	<ul style="list-style-type: none"> • Jordan Customs has authority to inspect containers; • Container-scanning equipment at Port Aqaba but not all other ports.

¹⁸ Based on "WCO builds on US ideas", *The Journal of Commerce*, December 20, 2004, pp. 16-17.

<ul style="list-style-type: none"> • Establish a risk-management method; • Provide joint targeting and screening of cargo using standard criteria; • Work with port operators to assess physical and personnel security. Ports should meet minimum ISO standards; • Inspect high-risk outbound containers at the request of the importing country. 	<ul style="list-style-type: none"> • Golden List program started and risk-management method initiated; • Port Aqaba has ISPS Certificate; • Jordan Customs has authority to inspect outbound containers based on request from other country.
<p>Participating businesses should:</p>	
<ul style="list-style-type: none"> • Perform security self-assessment using standards established by their customs administrations; • Incorporate security methods in existing business practices; • Have their security plans approved by their customs administrations; • Use smart secure containers. 	<ul style="list-style-type: none"> • Self-assessment completed by 8 companies. Method approved by JCD; • 8 companies incorporate security methods in existing business practices; • Security plan approved by JCD audit; • Petra Engineering currently only company in Jordan using advanced technology container security.
<p>Participating customs administrations should:</p>	
<ul style="list-style-type: none"> • Regularly update private-sector trade programs and promote minimum supply-chain security standards and best practices; • Work cooperatively with businesses to maximise security and facilitate trade. 	<ul style="list-style-type: none"> • Decide criteria for 6 due diligence models: minimum standards and best practice; • Invite 8 beta test companies to join JCD Consultative Council and add customs and supply chain security due diligence and Golden List to the Council agenda.

5. Conclusions

For several years many of the most advanced customs administrations have followed the informed voluntary compliance concepts that include recognition of documented compliant private sector clients. The introduction of supply chain security mandates is a new non-tariff mandate for customs administrations world-wide. Other countries have taken a more piecemeal approach to recognizing compliance for tariff and other non-tariff measures separate from supply chain security. The Golden List Program first developed by Jordan Customs Department with the assistance of the USAID-funded AMIR Program takes a more holistic approach to both regulatory and supply chain security documented low risk. Jordan Customs Department due diligence checklists include customs law and rules. Six different checklists enable companies to comply with rules of origin, tariff classifications, customs valuation and with bi-lateral free trade agreements. One part of the checklist includes supply chain security standards. The Jordan Customs due diligence standards meet or exceed the WCO Framework of Standards to Secure and Facilitate Global Trade version 2.0 only passed on 24 June 2004.

U.S Customs and Border Protection introduced new C-TPAT recommendations for U.S. importers on 25 March 2005. U.S. importers should verify foreign manufacturer supply chain security measures. The Jordan Customs Golden List Program meet or exceed these standards.

Trained consultants in Jordan started client paying customs due diligence processes implementation. Consultants cannot guarantee Golden List membership. However, they can prepare and complete due diligence so that clients can seek Jordan Customs Golden List audit.

Following two customs due diligence courses, several companies started self-assessment using checklists. Each company prepared and completed an improvement plan prior to starting a Customs Compliance Manual.

JGATE received train-the-trainer coaching and consequently started client-paying due diligence with two companies. IRC Director Dr. Mohamed Tarawneh and JGATE Programs Officer Khaled Darwazeh helped two companies complete self-assessments and improvement plans.

Several ideas would increase preparing and completing quality customs due diligence:

1. Carry out on-site supply chain security training for Jordan Customs Risk Management auditors;
2. Carry out Customs and Supply Chain Security Course with Jordan Customs Risk Management auditors;
3. Seek approval for the customs and supply chain security training course from Jordan Customs Training Center;
4. Seek approval for the training reference manual from Jordan Customs Training Center;
5. Get Jordan Customs Training Center providing Certificates to trained due diligence consultants;
6. Train-the-trainers at the Jordan Customs Training Center;
7. Launch Golden List Program on or about 15 August 2005 with further companies seeking audits;
8. Create an audit regulator similar to the Public Company Accounting Oversight Board;
9. Jordan Institute of Management prepares and completes auditor standards;
10. Partners in consultancy companies must monitor auditors and oversee self-assessments;

11. Partners overseeing due diligence self-assessments must not have contact with the client. Partners should discharge their responsibilities without the same pressures faced by engagement partners;
12. Audit Regulator should issue annual reports complete with recommendations to improve the quality of client due diligence;
13. Get a community college¹⁹ to deliver customs due diligence courses.

¹⁹ Al-Quds Community College provides Customs Processing and Freight Services courses. The course duration is one year. The course is accredited by Al Balqa'a Applied University and the Jordan Ministry of Higher Education.

Annex A: Customs and Supply Chain Security Reference Manual

The Hashemite Kingdom of Jordan
Customs Due Diligence
Consultant Reference Manual

Author: Jan Tomczyk, Fellow Chartered Member of the Institute of Transport and Logistics and a Customs Consultant with the AMIR Program, Amman.

May 2005

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US Customs & Border Protection issued new minimum standards for U.S. importers within the framework of C-TPAT program effective 25 March 2005. U.S. importers who are certified must fulfil the new measures by 26 September 2005. Failure to fulfill the new measures could result losing their C-TPAT certification²⁰.

²⁰ *New security criteria for C-TPAT importers, International Freight Journal*

PART 1

Introduction

Consultant Reference Manual

Information in this Reference Manual enables consultants to carry out customs due diligence and supply chain security for clients. Information includes:

1. Customs due diligence preliminary checklist;
2. Conduct an improvement plan;
3. Six customs due diligence models;
4. Sample supply chain security procedures;
5. How to deliver due diligence training to client staffs;
6. How to seek a Jordan Customs Risk Management audit;
7. How to get membership to the JCD Risk Management Golden List;
8. Introduce clients to electronic data exchange in case a client wishes to introduce RFID.

The Reference Manual is for quality assurance experts, ISO professionals, trade consultants, customs agents, freight forwarders and supply chain specialists.

This Reference Manual is a consultant tool kit and enables the consultant to complete 4 workshops:

1. Training needs assessment with client staffs;
2. Carry out customs due diligence method training;
3. Carry out Jordan Customs Law due diligence;
4. Carry out supply chain security due diligence;

Each workshop lasts for 4 hours and the total commitment is 16 hours.

Workshops

1. Training needs assessment with client staffs

Clients have staff responsible for import, transport, warehousing and export. The consultant's task is to discover the experience and knowledge of each member of staff.

The training needs assessment (TNA) described in this Reference Manual enables consultants to complete five tasks:

1. Carry out client management development;
2. Management development needs assessment;
3. Define and set priorities for training needs;
4. Training program design;
5. Develop a training plan.

2. Carry out customs due diligence method training

Introduce clients to customs due diligence models, objectives, benefits, needs, and explain

how to complete an internal customs due diligence check.

This workshop helps Consultant to carry out a customs due diligence preliminary checklist of the clients competence to complete a due diligence check and prepare an improvement plan (Converting the “No” into a “Yes”).

The consultant will be able to complete for clients a letter to Jordan Customs Department Risk Management seeking an Audit.

The consultant with the aid of an improvement plan checklist will oversee the progress and the internal customs due diligence. The consultant will be able to complete for clients written procedures to improve supply chain security. The written procedures must be a part of the new Customs Compliance Manual.

Consultants must coordinate with Jordan Customs Department Risk Management the client’s membership to the Golden List of compliant companies.

Consultants must provide technical support to the client senior management, departmental managers and supervisors (QA and HR Managers and other managers) and to individual staffs.

3. Carry out a Jordan Customs Law due diligence

Using checklists Consultants must check client’s compliance with Jordan Customs Law, Customs Rules and bilateral free trade agreements.

4. Carry out a Supply Chain Security due diligence

Introduce the client to supply chain security and explain why supply chain security is important. The consultant must show how a company can improve security procedures and how a Jordan company can try to gain competitive advantage by complying with supply chain security needs.

Introduce the client to new supply chain security initiatives at international, Government and company level.

Use the supply chain security approval guidelines and checklists to carry out a client supply chain security due diligence.

Check if clients carry out continuous customs and supply chain security training.

Advise clients to get copies of changes to Jordan Customs Law and Rules.

Workshop schedule

The 4 workshops are part of the Consultants 10-day training program.

The total amount of time for the 4 workshops is about 16 hours. Each workshop will be about 4 hours in duration.

The workshops included:

1. Workshop agenda;
2. Reference manual;
3. Reading materials to help consultants better understand customs due diligence and supply chain security;
5. Delivery of the workshop;
6. Evaluation of the workshops.

The reference manual is for consultants who have experience and knowledge of customs laws and rules, bilateral free trade agreements, supply chain logistics and supply chain security.

The workshop program will provide consultants with the tools they need to undertake for a client an internal customs due diligence audit.

Consultants must be able to identify, assess and describe choices to solve supply chain security risks. Consultants must write the correct written procedures so the client will comply with the Jordan Customs Law, Customs Rules and with bilateral free trade agreements.

The 4 workshops provided training and coaching in an interactive environment.

The Naouri Group (Kareem Logistics International Forwarders & Customs Brokers, Salem Shipping & Forwarding Agency and Ammon Shipping & Transport) and Petra Engineering Industries Co provided case studies. Experts from Naouri Group and Petra Engineering described their experience and lessons learned developing and fulfilling export, import, transport and customs broker's customs due diligence. The experts explained how they prepared and completed new Company Customs Compliance Manuals.

Author of the Consultant's Reference Manual

Jan Tomczyk is a Fellow Chartered Member of the Institute of Transport and Logistics and a Member of the Chartered Institute of Purchasing and Supply. Jan is a member of the European Customs and International Trade Forum. He developed customs due diligence models that include supply chain security in Jordan and in other countries.

Acknowledgements

The customs due diligence models are the result of collaborative work with six volunteer Jordan companies:

1. Naouri Group (Kareem Logistics, Ammon Shipping & Transport and Salam Shipping & Forwarding Agency): customs brokers, transport, export and import;
2. Al-Keena Paper Products (Part of Nuqul Group): export and import;
3. Petra Engineering Industries Co: export and warehousing;
4. The Near East Equipment Co: import;
5. Unified Company for Organizing Land Transport: transport;
6. Prime-5 Garment Manufacturing Co: QIZ.

Thanks to:

1. Dr. Mohamed Tarawneh, customs and insurance professional, director with International Research Corporation Jordan (IRC);
2. Walter Hekala, customs and quality assurance professional for customs due diligence applications and the Full Circle Due Diligence method. Manager Customs Reform &

Modernization Sub-component AMIR Program Jordan;

3. Lada Hekala, quality assurance expert for quality management methods and International Standards Organization methods.

PART 2

Consultant Training Outline

TRAINING OBJECTIVES

The objective of the training workshops is to give experienced quality assurance and supply chain specialist's skills to carry out customs and supply chain security due diligence for clients.

Consultants will be able to carry out documented due diligence. Documented due diligence is needed to enter the Jordan Customs Department "Golden List".

Jordan supply chain companies (Manufacturers, exporters, importers, transporters, freight forwarders, customs clearing agents and warehouse operators) who complete customs and supply chain security will show they document reasonable care meeting their legal needs.

Completing the 4 training workshops consultants will be able to:

Carry out training needs assessment with client supply chain staffs;
Explain to client companies the objectives and benefits of a customs due diligence and the Jordan Customs Department Golden List;
Explain the need for "Full Circle" customs due diligence;
Get international supply chain security guidelines and download new ones;
Know the Jordan Customs Law, Jordan Customs Department Rules, bilateral trade agreements and Qualified Industrial Zone rules;
Carry out customs due diligence method training;
Carry out Jordan Customs Law due diligence at a client company location;
Carry out Supply Chain Security due diligence;
Complete an improvement plan;
Complete a clients Company Customs Compliance Manual;
Seek client JCD Risk Management Audits and get membership to the Golden List;
Prepare and complete client marketing plans using customs and supply chain due diligence and membership to the "Golden List".

The training course and materials are for customs and supply chain experts responsible for undertaking an internal customs due diligence audit. Consultants should have undergone basic customs training and have risk management skills and supply chain security knowledge.

The competencies the consultant should have:

1. Good communication skills;
2. Quality Assurance Manual development and implementation;
3. Completing ISO Manuals;
4. Supply chain experience;
5. Competence to undertake a client customs due diligence audits at a client's business property;
6. Exposure to Jordan Customs Law and Rules and experience working with Jordan Customs Department personnel;
7. Experience working with private companies engaged with import, export, QIZ,

- transport and warehousing;
8. Experience working with the terms of bilateral Free Trade Agreements.

ASSIGNMENTS

Consultants must complete six customs and supply chain security due diligence examples during the workshop 3 and 4.

Consultants must complete assignments on schedule:

1. Training Needs Assessment;
2. Carry out a preliminary checklist with a client;
3. Complete a work plan for a clients customs and supply chain security due diligence;
4. Complete an outline of a client's Customs Compliance Manual.

EVALUATION OF ASSIGNMENTS

Consultants must complete an evaluation questionnaire at the end of the 4th workshop.

The trainer will evaluate Consultants assignments two days after the end of the workshops.

TRAINING PLAN

The customs due diligence training consists of 4 workshops.

1. Training needs assessment with the client staffs;
2. Carry out customs due diligence method training;
3. Carry out Jordan Customs Law due diligence;
4. Carry out Supply Chain Security due diligence.

Each workshop will be hands-on and conducted in an interactive environment. There will be opportunities for one-to-one coaching.

Workshop presentations take two days. Coaching takes place at the consultant's workplace after completion of the workshops.

CONSULTANT INVOLVEMENT

Consultants will learn more and learn quickly asking questions and engaging in discussion and debate rather than by passive listening.

TERMINOLOGY

There may be some new terminology and new abbreviations. A terminology list is included in Part workshop 2.

If, some terms remain unclear consultants must use a dictionary of trade terms or access the

internet. Consultants must have a good understanding of all the terms and abbreviations and to be able to answer questions from clients.

ASSESSMENT

There is no assessment of the consultant about fit for purpose. Employers should discover if their employee has the skills to conduct a client customs due diligence audit. Employers should check employee assignments.

PART 3

Workshop Needs

A) ITEMS NEEDED BY TRAINING INSTRUCTOR

Reference Manual;
Training Diary;
Name tag;
One set of the reading material.

B) ITEMS NEEDED BY CONSULTANTS

Reference Manual;
Name tag;
Table sign with name;
Paper and pencil;
Printed reading materials:

VOLUME I

1. World Customs Organization High-Level Strategic Group for Standards to Secure and Facilitate Global Trade Version 2.0 (In Arabic and English);
2. "WCO builds on US ideas" by R.G. Edmonson, Supply Chain Security section in The Journal of Commerce", pp. 16-17, Vol 5, issue 51, December 20, 2004;
3. Full-Circle Supply Chain Security by Walter Hekala;
4. Cascade Audit Method;
5. Press information about JCD Golden List announcement (In Arabic and English);
6. Manifest data elements for the USA;

VOLUME II

7. Six customs due diligence models (One set of six for each consultant) for workshop 1. There is no need to print further copies for the remaining three workshops.

VOLUME III

8. Sample supply chain security procedures.

C) HARDWARE AND EQUIPMENT NEEDS

Overhead projector with spare bulb
Laptop computer
Flip chart
Markers
Data Show

Billboard

U-shape table formation in the training room

PART 4

Workshop 1

Training needs assessment of client staffs

DURATION:

About 4 hours

PRECONDITIONS:

Consultants must have experience and knowledge of the Jordan Customs Law, Customs Rules, Bilateral Free Trade Agreements (USA and EU), and QIZ Rules and supply chain security procedures.

The training is not for new employees in the transport and trade industry.

PRE-READING NEEDED:

Consultants must read all the reading materials before attending the first workshop.

REFERENCES FOR CONSULTANT TRAINERS:

The first workshop is to enable Consultants to assess the client staffs that are responsible for transport and trade.

Assess the experience and knowledge of each client staff to find out the depth and duration of the work needed to undertake an internal customs due diligence audit. For example, if the client company has staff responsible for Quality Management due diligence will be easy to understand and completing a written Customs Compliance Manual will rather quick. Companies that have no QA or TQM experience will take longer to complete a customs due diligence audit and the writing of a Customs Compliance Manual.

WORKSHOP OBJECTIVES:

Training needs assessment (TNA) described in this Reference Manual enables consultants to complete five tasks for the client:

1. The client company management development;
2. Management development needs assessment;
3. Defining and setting training needs priorities;
4. Training program design;
5. Training planning.

The Consultant will at the end of this workshop understand the principles of Training Needs Assessment (TNA).

WORKSHOP OUTLINE

1. Introduce the trainer;
2. Introduce Consultants: name, position and contact details. Consultants should bring enough business cards;
3. Agree layout of training rooms, duration, location of rest rooms, location of water and breaks. ALL MOBILES MUST BE SILENT;
4. Explain training room health and safety rules and explain emergency evacuation procedure in case of fire or hazard;
5. Explain 4 workshop contents;
6. Explain assignment;
7. Explain assessment;
8. Introduce the Reference Manual;
9. Deliver workshop 1;
10. Summary;
11. Discussion;
12. Questions and answers.

EVALUATION OF THE WORKSHOP:

There is no evaluation of this workshop.

WORKSHOP 1 DELIVERY

1. Management development

Objective

Train Consultants to know about client management development.

Train Consultants to help convince client management to prepare and complete written procedures. Written procedures must be in a Customs Compliance Manual.

The consultant must work with the client's management team. This is to ensure the Customs Compliance Manual begins and finishes to an agreed schedule. The Consultant must ensure management assigns competent staff to help with developing of the Manual. The Consultant must ensure management approve and use the Manual.

Description

Each client will have a different commitment to management development and will have a different number of assets assigned to management development. For example some SMEs may not have the staff numbers to devote to the roles of transport and trade while large companies may have several staff members responsible for procurement, warehousing, transport and shipping. Large companies may have Personnel and Quality Assurance Departments.

Customs due diligence is a new management development need. Customs due diligence is part of personnel development and involves assigning technical personnel. There will be a need for management to change training.

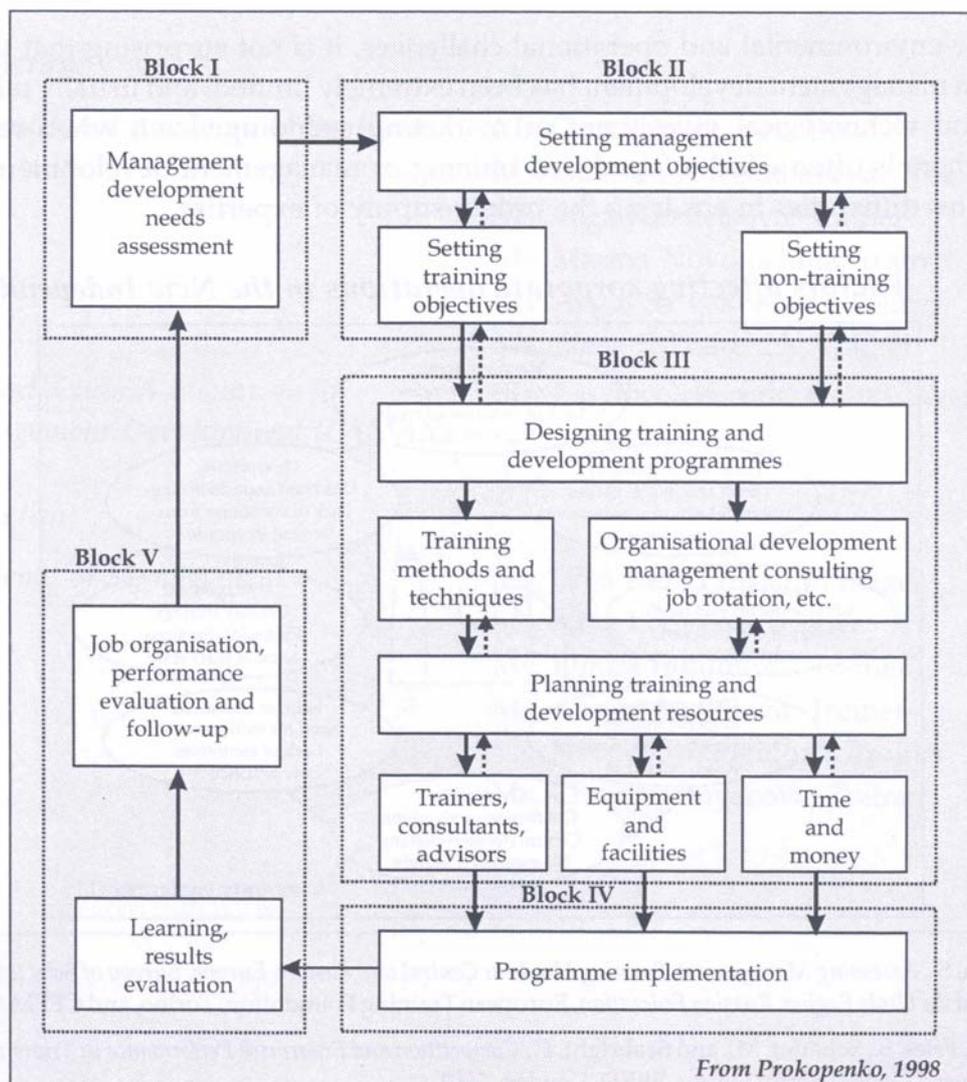
Management development is the planned and continuous development of manager's abilities, skills and attitudes. The aim is to improve management's ability to perform and assess the achievements of their strategic goals. Therefore, consultants must become aware of their client's management development. Consultants will suggest how management can add customs due diligence training and complete a Customs Compliance Manual into their training program. Consultants must know the client's:

1. Methods and written procedures for resolving problems;
2. Organisation of training;
3. Training and “non-educational” methods for increasing managerial and staff competence;
4. How the client adapts the company training program to meet the needs of the company and how the client uses new methods and procedures.

Consultants must become aware of the clients decision to use electronic technology to reduce the duration of the supply chain and save money to gain competitive advantage. The Consultant must become aware of the content of the client’s training cycle which may include:

1. Analysis of the clients training needs;
2. Design of in-house training programs;
3. Development of training materials;
4. Budgeting and asset division;
5. Identification and selection of training providers;
6. Training implementation;
7. Evaluation and assessment of training impact.

Figure 1 explains model management development cycle



extent to which the Consultant is able to diagnose a gap analysis in the company. Further, the success will depend on the extent to which company staffs and management will be able accurately describe their export, import, business objectives, strategy and plans.

Consultant must assess time-frames for Customs Due Diligence and agree time-frames. Begin the gap analysis as early as possible and allow enough time allowed for completion.

Gap analysis has two parts:

1. Training needs: clear and identifiable due diligence training needs;
2. Non-training needs: include the client's personnel methods.

There are three hierarchical levels in a company and the Consultant must work with all when completing a gap analysis:

1. Senior management;
2. Departmental or unit level;
3. Individual level.

Each level can affect the depth of compliance and training programmes.

Analytical method

Corporate strategy analysis

Objectives	
Responsibilities	
Methods	
Tools	
Results	

Strategy checklist:

1. What is the corporate strategy? (List the points: no need to describe detail)
2. Is there a written company strategy and policy document?
3. Who is responsible for preparing and completing policy and strategy?
4. How often is the policy and strategy reviewed or updated?
5. Does strategy include customs due diligence and supply chain security?
6. Does policy and strategy extend into areas of the company such as procurement, accounts, shipping, warehousing, marketing, and legal and export;
7. What are the links between customs due diligence and supply chain security objectives and finance or staff?
8. Is the policy and strategy communicated throughout the organization?
9. Is the policy and strategy carried out or do they remain on paper?
10. Does the policy and strategy have a personnel part?
11. Does the client policy and strategy have skilled staff necessary for implementation?
12. Based on the policy and strategy which includes performing continuous customs due diligence and supply chain security will the client staff receive skill improvement in six or twelve months?
13. Does the client have a training and business plan to update continuously customs due diligence and supply chain security?
14. Will the client rely on internal or external training?

Organization chart

Jordan Customs Department Risk Management will need a copy of the client’s organization chart. If, the client does not have one the consultant must prepare a chart and approve it with the client before providing it to JCD.

Identify on the chart transport, procurement, accounts, security, personnel and quality assurance and list the responsible people.

Quality management

Objectives	<p>Quality management refers to the procedures used in transport and trade transactions.</p> <p>Client companies may have quality management procedures (QMS) and standards such as:</p> <p>ISO: International Standards Organization; HACCP: Hazard analysis critical control point; GMP: Good manufacturing procedures; GLP: Good laboratory practice; Kaizen: a Japanese method for continuous improvement; Six Sigma: a form of quality control popular with some US corporations such as GE.</p> <p>The EU and the USA have technical product specifications. For example, the EU has about 15 different technical specifications and quality specifications for cosmetics and makers of Dead Sea products must comply. The Consultant must include these needs into the written due diligence procedures and into the Compliance Manual.</p> <p>The Consultant must:</p> <p>Find out which QMS is in place; Discover if the QMS is in place, completed and used in transport and trade.</p> <p>Note: The success of QMS in a company depends on training and a trained QMS manager will be a key person in successfully developing and completing a Customs Compliance Manual.</p>
Responsibilities	Is there a QMS manager or a QA manager?
Tasks	Interview staffs; Study QMS documentation; Study transport and trade procedures.
Methods	Interviews; Review documents, forms and data; Observation notes.
Tools	Carry out a “walk-through”; Review manuals and job descriptions; Review Training Manuals; Assessment.
Results	Describe potential training needs and list written procedures that

	will integrate transport with finance and manufacturing.
--	--

Quality management checklist

Is there quality management in place?

When did the client qualify?

How often are internal audits carried out and who undertakes the audits?

Are the clients QMS accepted in the transport and trade departments?

Does senior management support QMS in a written policy statement?

Is there a written procedure to get comments from staff?

Was there training to complete QMS?

Is there continuous training?

Does the client have written procedures to ensure QMS update?

2. Identification of causes of performance problems and opportunities

After completing the gap analysis the Consultant identifies the causes of any problems and opportunities. Decide if the problems are a result of organizational or staffing issues. Any problems will impact on the Consultants ability to conduct a customs due diligence and to write a Customs Compliance Manual.

The Consultant will have to decide if the problems are a result of:

1. A lack of customs skills and knowledge;
2. A lack of interest, motivation and incentives;
3. A lack of responsibility or empowerment;
4. A lack of ability for the customs due diligence task.

Identify the causes before listing solutions.

3. Identify priorities

The results of the gap analysis and problem identification should include a list of training, non-training and organizational changes. The list of changes helps complete the customs due diligence and Customs Compliance Manual.

4. Identify possible solutions

The gap analysis should result in recommendations for solutions:

1. Organizational;
2. Training;

- 3. Personnel;
- 4. Business development and marketing.

Consultant work tools

1. Sources of information and analytical methods

While completing a gap analysis it is important to have a balanced and objective picture of the client management development and personnel needs. This helps to complete a better customs due diligence and a Customs Compliance Manual.

Use three methods to get information:

<i>1. Document reviews</i>	<i>2. In-company interviews</i>	<i>3. External interviews</i>
QMS or QA Manuals; Company policy; Job descriptions; Training program and plans; Transport procedures; Export and import procedures; QIZ procedures; Free Trade Agreements;	Senior management, departmental supervisors and individual staff.	Interviews with the client suppliers, freight forwarder, transport company; Examination of the buyer's C-TPAT compliance.

2. Interview methods:

Agree a sample open-question interview form with the client before interviews begin.

Name of Company:	
This is a confidential interview record conducted by (Name of interviewer) within the Contract between the parties:	
All information is confidential. No other party will receive information.	
Name:	
Position:	
Date:	
Place:	
Interviewed by:	
Objectives of the interview (Meeting):	
Actions and timeline agreed because of the interview:	
Copy of interview record supplied to:	

2. Define and set training needs priorities

Consultants must focus on identification and setting priorities at this stage. Training must link with non-training needs depending on priorities. For example, it will not be possible to train

participants in customs due diligence with out a copy of the Jordan Customs Law and Jordan Customs Rules. Further, it will not be possible to reduce any customs procedure non-compliance unless all the current written procedures are available to the Consultant.

Several critical reasons influence setting priorities:

1. Strategic importance;
2. Cost-effectiveness;
3. Finance availability;
4. Target personnel aptness;
5. Client company customer expectations;
6. Legal needs.

The consultant must define the different hierarchical management needs and priorities and agree a timeline.

The Consultant must design an Action Plan and agree the content of the Action Plan with the client.

3. Critical factors in deciding training priorities

To decide training priorities include these factors:

Strategic importance

Decide if customs due diligence training is an important part of the client's training plan. Will people from procurement, warehousing, transport, shipping, export, import and accounts and finance attend interviews and customs due diligence training? Can they apply the Customs Compliance Manual and the new written procedures in the company?

Does customs due diligence "fit" with the client's business plans and growth?

Does customs due diligence "fit" with the client's marketing procedures and plans?

Does customs due diligence "fit" with the client's export effort?

Does customs due diligence "fit" with the client's QMS?

The Consultant must agree with the client the priority of customs due diligence training within the client's training program.

Cost-effectiveness

Carry out a cost-benefit evaluation of customs due diligence training. It may be possible to measure the benefits of customs due diligence training:

1. Lessen number of days of delay;
2. Lessen cost of storage and inspection;
3. Reduce amount of time by management and staffs handling each import and or export order;
4. Increase in the number of containers handled by staffs;
5. Decrease in the number of customer shipment enquiries.

Prepare a checklist of items in a cost-benefit evaluation. Agree with the client the benefits and savings and try to convert the effects of training into monetary values.

Convert the effects of training into monetary values as much as it is possible. The data for assessing the impact of training includes “hard” data and “soft” data. Hard data can include the decrease in total time it takes to handle a shipment owing to the decrease in problems, less inspections and delays. Soft data can include greater professionalism displayed by staffs, improved customer service and efficiency in handling each consignment as reported by the client’s customers. Further soft data can include increased teamwork, improved communication with Jordan Customs House and Jordan Customs Risk Management, improved job satisfaction, less “fire-fighting” and increased actions by staffs and management and increased senior management commitment and improved career paths.

The Consultant may wish to agree with the client senior management targets to reduce total transaction time (From receipt of order to delivery of the goods to the customer property) for shipments?

The goal of customs due diligence and a new Customs Compliance Manual is to increase the number of business transactions. Agree with the client a check-list to capture business information such as number of new transactions, increase in revenue, decrease of costs and increase in profit?

Agree with the client a continuous customs due diligence training program.

A cost-benefit analysis or rate of return on investment can be as follows:

Net customs due diligence benefits = total benefits – total costs

A Return on Investment (ROI) calculation can be as follows:

$(\text{Total benefits} / \text{total costs}) \times 100$

Example:

The new benefits of customs due diligence training:

Total benefits (JD10,000) – Total costs (JD5000) = JD5000

Return on investment the calculation is:

$\text{ROI} (\%) = (\text{total benefits} / \text{total costs}) \times 100$

$\text{ROI} (\%) = (10,000 - 5,000) \times 100 = 200\%$

This is a simple method. It is difficult to calculate training impact

Asset availability

An SME client may find it difficult to assign assets for customs due diligence training and for completion of a Customs Compliance Manual. SMEs have small staff numbers and staffs may have difficulty making time available for interviews and training.

Agree with the client assigning of assets: staff and costs. If, management decides to external training carry out external training this may impact on the action plan and completion of the Manual and delivery of training. The Consultant will amend the timeline.

The aptness of the target group

The fitness, receptiveness and ability of staff and management to write and complete a customs due diligence are important as they will impact on the Consultants ability to perform and deliver.

Client staff members must absorb the training and able to change their performance. The TNA will help the Consultant identify any challenges.

Agree solutions to challenges in confidence with client senior management. Apply changes by the client senior management.

Buyer expectations

The client's buyer may decide expectations? List the expectations and buyers due diligence needs.

A clients USA buyer may have supply chain security responsibilities because of accreditation with the C-TPAT program? The USA buyer may have sent to the client a Form the client must complete and return to the buyer? Include the content of the Form into the customs due diligence and new Customs Compliance Manual.

Check if the client researched the benefits of customs due diligence, compliance and decrease risk with its buyers?

U.S. importers who are members of C-TPAT must include new rules by 26 September 2005²¹. New rules were effective from 25 March 2005. C-TPAT members who do not comply with the new rules could lose their C-TPAT certification or have their shipments classified as a risk.

U.S. importers need to check their business partners have prepared and fulfilled security measures which meet C-TPAT security criteria, or equivalent supply chain security program criteria managed by a foreign customs administration.

To fulfill the need importers must provide written verified certification.

C-TPAT foreign manufacturer security recommendations include:

- Physical security;
- Access controls;
- Procedural security;
- Personnel security;
- Education and training awareness;
- Threat awareness.

U.S. Customs & Border Protection is preparing new C-TPAT rules for shipping companies, airlines and foreign manufacturers.

C-TPAT Importer Security Criteria²²

Effective 25 March 2005

²¹ *New security criteria for C-TPAT importers, International Freight Journal*

²² *C-TPAT Importer Security Criteria by U.S. Customs & Border Protection, see www.cbp.gov*

Importers must conduct a comprehensive assessment of their international supply chains ... Where an importer outsources or contracts elements of their supply chain, such as a foreign facility, conveyance, domestic warehouse, or other elements, the importer must work with these business partners to ensure that pertinent security measures are in place and adhered to throughout their supply chain. The supply chain for C-TPAT purposes is defined from point of origin (Manufacturer/supplier/vendor) through to point of distribution – and recognizes the diverse business models C-TPAT members employ.

Point of Origin

Importers must ensure business partners develop security processes and procedures with the C-TPAT security criteria to enhance the integrity of the shipment at point of origin. Reviews of business partners' processes and facilities should be conducted based on C-TPAT criteria. Importers should maintain the security standards required by the importer.

Container Security

Container integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At point of stuffing, procedures must be in place to properly seal and maintain integrity of the shipping containers. A high security seal must be affixed to all loaded containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standard for security seals.

C-TPAT ISSUES²³

Ed Moriarty, the deputy director of C-TPAT said that under the new C-TPAT criteria, US Customs will be validating whether or not the US importer has done its due diligence to verify security at foreign factories.

Moriarty said that foreign manufacturers that receive requests for the same security information from many different importers will have to answer them individually, since each C-TPAT importer may have different security issues.

Legal or financial needs

Check if the due diligence complies with the client's Articles of Association and Registration. Due diligence must comply with the legal needs of a QIZ and with bilateral Free Trade Agreements. List for the client the benefits of reduced customs risk.

Define timeline priorities

The client may be an exporter that also imports and stores materials using in-house staffs to organize shipping.

Agree which model to prepare and complete first.

Agree with senior management the priority for writing customs due diligence procedures, preparing the new Customs Compliance Manual and delivering training.

²³ C-TPAT raises COAC issues By R.G. Edmonson in *The JOURNAL of COMMERCE ONLINE*, 5 May 2005

Agree with senior management the sequence for preparing and completing each due diligence role. A GANTT CHART will explain a sequenced and integrated program. The GANTT CHART will help management assign staffs for interview, completion and training.

Consultants may choose a sophisticated GANTT CHART tool such as Microsoft “Project” or another computer software product. A simple chart is enough. For example:

Month and weeks (Each X = 1 week)

No	Task	Duration	1	2	3	4	5	6
1	TNA		XXXX					
2	CDD assessment			X				
3	Customs due diligence internal check			XXX				
4	Completion plan: Yes / No				X			
5	Training				XXX			
6	Completion					XXXX		
7	Customs compliance manual			XXXX	XXXX	XXXX		
8	JCD application including letter to Risk Management						X	
9	JCD audit						XX	
10	JCD assessment and report							X
11	JCD Golden List							X

Set priorities training method

Set priorities with the Personnel Manager. If, a client does not have a Personnel Department set priorities with the Quality Assurance Manager or senior manager.

A chart helps setting priorities:

<i>Customs DD Model</i>	<i>Senior managers</i>	<i>Supervisors</i>	<i>Individual staffs</i>
Export			
Import			
Warehouse			
Customs Agent			
Transport			
QIZ			

Each customs due diligence model has parts. Rank the parts using a simple chart. For example this chart uses the QIZ Customs Due Diligence generic model:

<i>QIZ Model</i>	<i>Senior managers</i>	<i>Supervisors</i>	<i>Individual staffs</i>
QIZ RESPONSIBILITIES			
QIZ qualification			
Merchandise description			
External expert			

Rules of Origin			
Internal Company Customs Expert			
Licensing and certification			
Accounting and electronic data processing (EDP) systems			
Internal controls			
COMPLIANCE WITH JORDAN CUSTOMS LAW			
Country of Origin			
Export and re-export			
Common terms			
Inspection of goods			
EXPORTS TO THE USA			
The Jordan-US Free Trade Agreement			
SUPPLY CHAIN SECURITY VALIDATION GUIDELINES			
Objectives			
Procedural security			
Physical security			
Access controls			
Personnel security			
Education and training awareness			
Conveyance security			
Service provider needs: forwarders and subcontractors			
Trading and transport operator security			
Internal company record keeping			
Documentation and information processing security			
Internal finance and accountancy controls			

Training program

The best training program is one based on the client's strategy. Check if the training program includes training in how to carry out a customs due diligence and prepare and complete a Customs Compliance Manual.

Agree with the client a training action plan. The action plan will help staff prepare to carry out customs due diligence and complete a Customs Compliance Manual.

The Consultant must be able to prepare a training program.

Training program parts

Each training program needs a title with the client name. The parts of a short training program include:

1. Training program title
2. Management summary <ol style="list-style-type: none">1. Summary of training needs;2. Objectives;3. Target group;4. Duration and timing;5. Training method;6. Equipment;7. Trainer;8. Program coordinator (If any);9. Corporate participants;10. Follow up11. Training budget
Training content Duration Topic Training
Reading materials
Evaluation

Summary

Discussion

Questions and answers

Agreement on the next workshop

END OF WORKSHOP ONE

PART 5

Workshop 2

Carrying out customs due diligence training method

DURATION:

Approximately 4 hours

PRECONDITIONS:

Consultants must have experience with and knowledge of the Jordan Customs Law, Customs Rules, Bilateral Free Trade Agreements (USA and EU), and QIZ Rules and supply chain security procedures.

The training is not for new employees in the transport and trade industry.

PRE-READING NEEDED:

Consultants must read the materials before attending the second workshop:

1. Golden List information on the JCD web site;
2. US Homeland Security web site about C-TPAT;
3. “Full-Circle” supply chain security by Walter Hekala;
4. Cascade Customs Audit Method;
5. Manifest data elements for the USA;
6. Six customs due diligence models.

REFERENCES FOR INSTRUCTORS:

The second workshop will help Consultants carry out customs due diligence for a client.

The workshop explains the method for carrying out a customs due diligence check.

WORKSHOP OBJECTIVES:

1. Customs due diligence terminology: abbreviations and acronyms;
2. Explanation of the six customs due diligence models;
3. Objectives for a customs due diligence;
4. Supply chain security;
5. Jordan customs compliance audit;
6. Case study;
7. Method for due diligence;
8. Preliminary Check;

9. Improvement Plan to complete compliance;
10. Seeking a JCD audit and getting membership to the JCD Golden List.

On finishing the workshop Consultants can carry out a customs due diligence. Consultants will be able to use the due diligence checklist, complete a client preliminary checklist and complete an Improvement Plan (Yes / No).

At the end of this workshop Consultants will understand the method to undertake a customs due diligence.

Complete a Customs Compliance Manual for a client. Explain a Customs Compliance Manual using an example of a Customs Compliance Manual.

WORKSHOP PARTS

1. Introduce the trainer;
2. Introduce Consultants: name, position and contact details. Consultants should bring enough business cards;
3. Agree layout of training rooms, duration, location of rest rooms, location of water and breaks. ALL MOBILES MUST BE SILENT;
4. Explain training room health and safety rules and explain emergency evacuation procedure in case of fire or hazard;
5. Deliver workshop 2;
6. Summary;
7. Discussion;
8. Questions and answers.

WORKSHOP CONTENT

1. Terminology: abbreviations and acronyms;
2. Summary of the method of the six customs due diligence models for risk management;
3. Explanation of the six customs due diligence models;
4. Benefits of a customs due diligence;
5. Customs due diligence and Jordan company participation;
6. Supply chain security;
7. Jordan Customs compliance audit;
8. Case Study;
9. Method;
10. Preliminary Checklist;
11. Improvement Plan Checklist;
12. JCD Audit and seeking JCD Golden List membership;
13. Use of electronic data transfer;
14. Test shipment to the USA;
15. Marketing supply chain security acknowledgement;
16. Survey Checklist: import;
17. Full Circle Customs Due Diligence by Walter Hekala.

EVALUATION OF WORKSHOP 2:

Please go to Part 9 of this Reference Manual and complete the Evaluation Questionnaire after the end of Workshop 4.

DELIVER WORKSHOP 2

1. Terminology: abbreviations and acronyms

ADC	Aqaba Development Corporation
ADR	International Carriage of Dangerous Goods by Road (1957)
AETR	Work of Crews of Vehicles Engaged in International Road Transport (1970)
AIDC	Automatic Identification and Data Collection
AIS	Automatic Information System
AMIR	Achievement of Market-Friendly Initiatives and Results Program
APHIS	Animal and Plant Health Inspection Service
AWB	Air Waybill
AZEM	Aqaba Zone Economic Mobilization
ASEZA	Aqaba Special Economic Zone
ATS	Automated Targeting System
BASC	Business Anti-Smuggling Coalition
CAT	Customs Assessment Team
CBP	Customs and Border Protection
CCTV	Closed-Circuit Television
CE	Consumer Electronic mark and certification
CIP	Carrier Initiative Program
CN	Combined Nomenclature
CSI	Container Security Initiative
CITES	Convention International Trade in Endangered Species
CMR	Convention on the Contract for the International Carriage of Goods (1956)
CSR	Continuous Synopsis Record
C-TPAT	Customs-Trade Partnership Against Terror
CTU	Closed Transport Unit
DHS	Department of Homeland Security
EDI	Electronic Data Interchange
EDP	Electronic Data Processing
EEC	European Economic Commission
EFTA	European Free Trade Association
EICC	European Information Correspondence Centre
EJADA	Euro-Jordan action for the development of enterprise
EJEP	Euro Jordan Export Program
EU	European Union
FCDD	Full Circle Due Diligence
FDA	Food and Drugs Administration
FIATA	The International Federation of Freight Forwarders
FTA	Free Trade Area
JABA	The American Chamber of Commerce in Jordan
JCD	Jordan Customs Department
JFTA	Jordan-US Free Trade Agreement
JIEC	Jordan Industrial Estates Corporation
JISM	Jordan Institute for Standards and Metrology
GAFTA	Greater Arab Free Trade Area
GISIS	Global Integrated Shipping Information System
GLDD	Golden List Due Diligence
GRN	Goods Receipt Note
GSP	General System of Preferences
GVS	Global Village Strategies
HACCP	Hazard Analysis Critical Control Point

HTS	Harmonized Tariff System
IATA	International Air Transport Association
I.D.	Identification
ILO	International Labor Organization
IMDG	International Maritime Dangerous Goods Code
IMO	International Maritime Organization
INCOTERMS	International Commercial Terms
IRU	International Road Union
ISPS	International Ship and Port Facility Security Guide
ISSC	International Ship Security Certificate
ITPWG	United Nations International Trade Procedures Working Group
JEAA	Jordan – European Association Agreement
JABA	Jordan American Business Association
LRIT	Long Range Identification and Tracking
MIT	Ministry of Industry and Trade
NAFTA	North American Free Trade Agreement
NTR	Normal Trade Relations
OACI	International Civil Aviation Organization (ICAO)
OPS	Operation Port Shield
OSC	Operation Safe Commerce
PFRA	Port Facility Risk Assessment
PFSP	Port Facility Security Plan
PNSI	Prior Notice System Interface
PPQ	Plant Protection and Quarantine
PRA	Port Risk Assessment
PSA	Port Security Assessment
PSP	Port Security Plan
RFID	Radio Frequency Identification
QIZ	Qualified Industrial Zone
SCM	Supply Chain Management
SCIP	Super Carrier Initiative Program
SED	Standard Export Document
SOLAS	International Convention for the Safety of Life at Sea
SPI	Special Program Indicator
SSAS	Ship Security Alert System
SST	Smart and Secure Trade lanes
TIR	Transport International Routiers
TRIPS	Trade Related aspects of Intellectual Property
UCR	Unique Consignment Reference
US AID	United States Agency for International Development
VAT	Value Added Tax
WCO	World Customs Organization
WTO	World Trade Organization
XML	Extensible Mark-up Language

2. Summary of the objectives and method of the six customs diligence models for risk management

The six customs due diligence models provide Jordan companies with a method to get membership to the Jordan Customs Department's Golden List. Before a company seeks membership it should carry out a voluntary internal compliance self-assessment. After a company decides it complies with the model the company can invite Jordan Customs Department Risk Management Directorate to carry out a customs compliance audit.

The six models include the business items a company must comply with to ensure the lawful administration of the company, compliance with the Jordan Customs Law, Jordan Customs Department Rules and Jordan laws and rules about export and import. The customs due diligence model for QIZ exporters includes the Jordan-US Free Trade Agreement. The method includes a supply chain security part which explains the U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism (C-TPAT)²⁴. The supply chain security part includes the recommendations and needs of the International Maritime Organization ISPS Code, the World Customs Organization instruments for Container Security and the United Nations ITPWG draft version 4 International Shippers and Freight Forwarders Security Code.

Jordan companies approved the six due diligence models. Approval of the export model was by manufacturing, garment, chemical, pharmaceutical, olive oil, and transport companies. Approval of the import model was by an engineering and construction equipment supplier, pharmaceutical supplier; several garment factories and customs clearance agents. Approval of the customs clearance agent model was by three agents while approval of the transport operator model was by an agent and one of the world's largest sea carriers.

Each due diligence model is "fit for purpose". For example the transport operator model has separate parts for truck companies, ocean transport intermediaries, sea carriers and the port operator.

The supply chain security part includes a checklist for procedural security, physical security, access security, personnel security, education and training awareness, conveyance security, trading and transport operator security, internal company record keeping system, and documentation and information processing security.

The reason to develop six customs due diligence models for Jordan Customs Department (JCD) and for Jordan export and import companies and the transport intermediaries is to improve the trading ability for Jordan companies. Jordan companies need to increase competitiveness in a global market.

After using the models to check compliance the consultants must agree with the client how it will continuously update the checklist.

3. Explain the six customs due diligence method and objectives

Jordan Customs Department announced in 2004 a "Golden List" program. Membership to the "Golden List" will be for compliant Jordan companies. Jordan companies must prove customs and supply chain security compliance. Further, Jordan companies seek partnership with Jordan Customs Department. Jordan companies must commit to self-assessment and share the compliance responsibility with JCD. The JCD and Jordan industry must develop and fulfill informed compliance.

The idea of shared responsibility means Jordan importers and JCD have a responsibility for informed compliance. Shared responsibility includes compliance with bilateral free trade agreements and with Jordan Customs Law and Rules. Informed compliance increases voluntary compliance.

The importer is legally responsible for declaring the customs value, classification, and rate of duty for entered goods. Customs administrations expect importers use reasonable care to give customs accurate and timely data. The Jordan Customs keeps the responsibility to prove the

²⁴ *Jordan companies are not eligible to apply for C-TPAT accreditation.*

value, classification and rate of duty. Customs must tell traders of their responsibilities to get compliance.

Jordan Customs Department provides traders with information needed to comply with the Jordan Customs Law and Jordan Customs Rules. To fulfill this commitment, JCD will make available on its Web Site compliance information forms.

The six customs due diligence models provide Jordan export, import, transport intermediaries, warehouse operators, customs clearance agents and QIZ companies the opportunity to carry out a voluntary internal customs assessment.

Method

The checklist is based on the US Customs and Border Protection Compliance Assessment Team Kit, Customs Due Diligence Models in other countries and on the USCBP C-TPAT needs.

Each due diligence model has three parts:

1. Compliance with commercial laws and rules;
2. Compliance with Jordan Customs Law, Jordan Customs Rules and bilateral free trade agreements;
3. Supply chain security.

The customs due diligence model for QIZ exporters includes a part explaining the Jordan-US Free Trade Agreement. The supply chain security part includes recommendations and needs from:

- the U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism (C-TPAT) program,
- the International Maritime Organization ISPS Code,
- the World Customs Organization instruments for Container Security,
- United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) ITPWG draft revised version 4 International Shippers and Freight Forwarders Security Code (Security-management Systems for the supply chain).

A generic model cannot include every single need. Each company seeking “Golden List” membership must prepare a Customs Compliance Manual. The due diligence model is a “living document” that needs continuous improvement.

Customs Due Diligence Objectives

A customs due diligence helps JCD target limited personnel and money at non-compliant companies. Customs due diligence is a modern risk management tool.

Informed compliance benefits Jordan companies and JCD. JCD lessens labor-intensive, redundant examinations or entry reviews because of voluntary compliance. Voluntary assessment means international trader’s cargo will be compliant with legal needs.

A shared responsibility idea focuses on self-assessment. A Customs regulatory audit should not punish errors. Instead an audit must increase future compliance.

The “Golden List” program helps Jordan Customs Department to target customs workforce and money at high-risk areas.

Customs officers trained in risk management form 3 man auditing teams. Each auditing team should include an international trade specialist. The JCD compliance audit will use traditional audit techniques of a financial audit, as well as the audit that includes a company's recent fiscal year.

A voluntary company internal compliance self-assessment and a JCD customs audit test the import, export, and financial transactions to decide:

1. If the import and export entries comply with Jordan Customs Law, Jordan Customs Rules and trade agreements during the period under review;
2. If the importer and exporter documents customs internal controls.

JCD should use the results of the compliance assessment to recommend a compliance risk category for the company. If, the compliance audit by JCD shows the compliance is acceptable in all tested areas the audit will end. JCD will decide eligibility for membership to the "Golden List" Program.

JCD and the company should agree the preferences. For example, the company may file periodic declarations instead of single entry declarations.

4. Benefits of customs due diligence

The Jordan-US Free Trade Agreement does not include security examinations on goods arriving in the USA from Jordan. However, Jordan is in a region comprising countries felt to pose supply chain security threats. Trans-shipment through Jordan linked with high-risk.

The six customs due diligence models provide a compliance checklist for Jordan participants in the supply chain. Approved due diligence is a tool displaying to other customs services an acceptable supply chain security and customs compliance in Jordan. The Jordan due diligence models gives documented compliance and shows evidence of internal customs controls.

Benefits

Jordan is a trading nation. To increase their trading competitive advantage Jordan companies must improve the supply chain and secure it from threats. To increase the flow of Jordan trade Jordan companies must show supply chain security compliance.

Each customs due diligence model includes supply chain security and compliance with the Jordan Customs Law, Jordan Customs Rules, with the U.S.A. and EU Free Trade Agreements and World Customs Organization "Framework of Standards to Secure and Facilitate Global Trade".

Textile and Apparel Quotas in the US finished in January 2005. Media reports speculate China and India will gain increased market share of the US apparel market. Jordan garment factories get a 17% customs duty exemption after the WTO removes textile quotas. Jordan garment factories could experience an impact as US buyers reduce their number of foreign suppliers.

The six customs due diligence models provide a marketing tool to help Jordan companies keep US buyers. The export model includes a part explaining exporting and supply chain security compliance to the USA. Increasing customs and supply chain security compliance by Jordan companies should lead to less delay at the US port of entry. Increased supply chain

security and RFID should lead to less inspections and import documentation examination by US Customs and Border Protection. Jordan Customs Department inspection reports and accredited Golden List membership should help Jordan company shipments get faster to US buyers. For example, one Jordan company used supply chain security compliance and RFID reduced US Customs clearance time from between 14 and 21 days to 1-day. The Jordan company saved about US\$750 on each container sent to the US east coast.

Informed compliance should provide US buyers and logistics operators with confidence that Jordan Customs in partnership with Jordan companies give supply chain security, customs and trans-shipment compliance. Documented compliance gives confidence to buyers in other importing countries.

External acceptance of the reduced risk for Golden List compliant Jordanian companies has two parts. First, JCD identifies through customs-to-customs communication the methods for compliance approval by JCD. Secondly, US companies taking part in the US C-TPAT program incorporate in their internal documentation the methods taken by their suppliers in Jordan to meet border compliance needs and supply chain security.

JCD compliance audit gives benefits:

1. Help identify compliance issues;
2. Identify the reasons for non-compliance;
3. List the actions to improve internal controls.

JCD compliance audit provides several benefits for Jordan trade companies:

1. Protection from unfair penalties;
2. Give professional ability;
3. Increase amount of sales;
4. Provides privileged treatment by JCD;

The Golden List program by the JCD should include:

1. Customs consult when asked (for compliance help, risk assessments, internal assessments, Customs audit trails and data analysis support);
2. The Jordan company should have a telephone hotline to contact JCD officials;
3. In case of customs penalties consider Golden List membership during the disposition of the legal case;
4. Companies correct administrative customs errors when they occur because of prior disclosure or customs post-entry procedures. No fear of unexpected penalties.

Develop and complete a full circle due diligence (FCDD). The FCDD method gives confidence to customs administrations because it includes the entire supply chain.

The reading material includes an explanation of FCDD.

Check with the client how to complete an FCDD.

Golden List Preferences and Privileges

The WCO Customs Co-operation Council High-Level Guidelines For Co-operative Arrangements Between Members and Private Industry To Increase Supply Chain Security and Facilitate the Flow of International Trade (TF0004E3, Brussels, 13 May 2003). This explains customs administration responsibilities for enforcing national and international laws and

relating the enforcement role for supply chain security includes in Section 1 paragraph (c) the following:

“A system whereby trader co-operation is recognized, and where appropriate, a mechanism for rewarding such co-operation is established.”

Jordan Customs Department will consider several privileges for members of the Golden List:

1. 30-day postponement of customs duties;
2. Fewer examinations;
3. Fewer inspections of import documentation and support documents;
4. Less post-entry audits;
5. A fast lane for Golden List members at all Jordan Customs Centers;
6. Future account management.

Each company seeking Golden List membership must agree which privileges JCD will give.

5. Customs due diligence and Jordan company participation

Jordan trader and transport intermediary participation means they keep business records, keep up-to-date written procedures and fulfil supply chain security. The record keeping procedures must show accuracy of customs transactions and security in the company supply chain. Jordan company participation in due diligence includes:

- Document and complete internal controls;
- Perform periodic tests of the controls to identify risk;
- Keep the results of tests for three years and give test information to JCD when asked;
- Adjust internal controls;
- Audit trail from purchase records to Customs Declarations.

JCD must encourage Golden List members to exchange information and agree how to improve customs due diligence and supply chain security to benefit JCD and Jordan companies.

A. Import Model

The import model includes: External Expert, Internal Company Customs Expert, Internal Controls, and Compliance with Jordan Customs Law, Jordan-US Free Trade Agreement and Supply Chain Security Validation Guidelines. The criteria include: Merchandise Description and Tariff Classification, Country of Origin, Customs Value, Customs Declaration, Inspection of Goods, Inward Processing, Temporary Entry and Exemptions.

B. Export Model

The export model includes External Expert, Internal Company Customs Expert, Internal Reviews and Licensing and Certification. The export model also includes Compliance with the Jordan Customs Law, Export to the USA (Jordan-US Free Trade Agreement), Export to the EU (Jordan-EU Free Trade Association Agreement), and Supply Chain Security Validation Guideline.

C. Warehouse Operators Model

The model includes commercial and warehouse procedures. The model provides a checklist so a Jordan company with a warehouse checks the accuracy of record keeping and storage control procedures.

The warehouse model is for bonded and non-bonded warehouse operators. The model includes: Defined Responsibilities, Internal Expert, Internal Reviews, Physical Security, Risk Management, Compliance with the Jordan Customs Law, C-TPAT Warehouse Security Recommendations.

D. Customs Clearance Agent Model

The customs clearance agent model includes: Licensing and Certification, Legal, Technical Specialization, Process Oversight, Information Exchange Coordination, Internal Reviews, Internal Records and Documentation, and Supply Chain Validation Guidelines.

E. Transport Operators Model

The transport operator's model is for multimodal transport. The model includes Transport Operators and Road Transport Facility Operators Defined Responsibilities, and Internal Export. The transport model also includes Internal Reviews, Internal Records and Documentation and Physical Security. The transport model includes checklists for Sea Carrier and Ocean Transport Intermediary (24-Hour Advanced Manifest Rule, CSI, and C-TPAT guidelines, ISPS Code, WCO Instruments for Container Security, United Nations International Shippers and Freight Forwarders Security Code Draft). The transport model also includes checklists for Defined Responsibility During Transit (Smart Box Initiative, SSAS, ATS, 96-Hour Advance Notice of Arrival to US Coast Guard, Operation Port Shield). The model includes the Seaport Operator Defined Responsibilities including the Code of Practice on Security in Ports.

The consultant must read the model to get an explanation for each transport method.

Transport Operators and Road Transport Facility Operators Defined Responsibilities

The model gives a checklist for road transport companies. Transport companies check if enough safeguards are in place so each haulage assignment is compliant with JCD and Jordan government needs:

- Cross international borders;
- From a clients building to a border crossing point;
- To a seaport.

The model lists the needs of an ocean transport intermediary and Port of Aqaba for export and import of commodities.

Note: Over 11,000 owner-truck drivers carry out transport in Jordan. During September 2005 a new law should improve reliability, quality and safety of trucks. The new law will remove the “next-in-line” method. Jordan companies will contract with transport companies. Contracting should reduce the time for container pickup at factory to delivery at Port Aqaba.

Jordan companies must identify the driver and check the ownership of the tractor unit and trailer.

Seaport Operator Defined Responsibilities

Note: Port Aqaba fulfils security because of the Port Facility Security Assessment. Further, each contracting Government to the International Marine organization (IMO) has to ensure

completion of a Port Facility Security Assessment. The Port Facility Security Assessment is a risk analysis of a port facility and operation to decide which parts are susceptible to attack.

Completion of the risk analysis provides a risk assessment. The risk analysis helps the port security personnel to produce a Port Facility Security Plan (PFSP). The plan shows the procedures and physical security the port facility performs at security level 1. The plan shows intensified security measures the port facility takes to act at security level 2. The plan explains the prompt response the port takes at security level 3.

Ships using the port may be subject to port control inspections and extra control measures. The Jordan authorities may seek information about the ship, its cargo, passengers and crew before the ship's entry into port. The port may deny entry of a ship in certain circumstances.

There is an approved Port Facility Security Plan for Port of Aqaba. The Port Security Committee manages the PFSP.

APM Terminals manages Port of Aqaba Container Terminal. APM Terminals comply with the International Ship and Port Facility Security Guide (ISPS Code). Maersk Shipping is C-TPAT certified.

F. Qualified Industrial Zone Model

The qualified industrial zone (QIZ) model includes: QIZ Compliance Assessment, Compliance with the Jordan Customs Law, Export to the USA and Supply Chain Security Validation Guidelines. The model includes Accounting and Electronic Data Processing (EDP) because JCD and US Customs could want to audit invoices and supporting transaction documentation to find any cases of trans-shipment.

Note on QIZs

The U.S. Customs and Border Protection Department needs U.S. importers to prepare and complete a plan to improve security procedures in their supply chain. In case a US importer does not control a building, conveyance or method subject to the recommendations contained in the QIZ model, the exporter should agree to fulfil every reasonable effort to secure compliance.

Some US importers visited Jordan garment factories and during the factory health and safety inspection inspected supply chain security and checked procedures. Further, some US importers make their suppliers complete a supply chain security acknowledgement form.

Access control is important during stuffing and packing of containers. To gain competitive advantage to increase market share in the US and to reduce supply chain delays QIZ exporters may wish to carry out this part of the due diligence model. Jordan QIZ exporters may choose supply chain security as a priority when seeking membership to the Jordan Customs Golden List program.

6. Supply chain security

Each customs due diligence model includes an assessment of the supply chain security management. The supply chain security part of the due diligence combines the recommendations of C-TPAT, IMO ISPS Code, WCO and United Nations. The recommendations are not compulsory for C-TPAT participation, but they may be helpful in the self-assessment and Jordan customs audit.

Container stuffing is the first part of the supply chain and security begins at the point of origin. The point of origin must be secure. Certified containers need to enter a smart and secure trade lane. Jordan does not take part in a Smart and Secure Trade Lane but some Jordan companies introduced RFID and are helping to prepare Operation Safe Commerce from Port Aqaba to Port Authority New York & New Jersey.

The supply chain security checklist enables Jordan companies to prepare and complete an improvement plan for security procedures in each part of the supply chain. When a Jordan importer does not control a building, conveyance or method subject to the supply chain security recommendations, the importer agrees to make every reasonable effort to secure compliance by the responsible party. The checklist should follow a case-by-case basis. Completing the checklist depends on the company's size and may not be applicable to all companies.

The supply chain security parts include: procedural security, physical security, access security, personnel security, education and training awareness, conveyance security, trading and transport operator security, company record keeping and information security.

Further, the supply chain security includes a part on Service Provider Needs (subcontractors) and Internal Finance and Accountancy Controls.

Shipments from new companies could be a risk. Jordan companies must check the registration documents of new traders. Jordan companies must check the authenticity of the charter board of directors. The Internal Finance and Accountancy Controls and checks should cut out bad debts and increase supply chain security. Jordan Customs Department and US Customs check invoices and transaction documents when corroborating trans-shipment.

Case Study: Jordanian Company – Petra Engineering Industries, Co.

Some companies in Jordan understand the need to improve customs and supply chain security. Petra Engineering Industries in Amman Jordan completed a number of new customs and supply chain security procedures.

The company carried out an internal customs due diligence and checked supply chain security using the export model. Petra was audited by Jordan Customs Risk Management and got membership to the Jordan Customs Department “Golden List”.

Petra fixed RFID tags to their containers going to buyers on the USA east coast. Petra partnered with Jordan Customs Department to complete container inspection reports. Jordan Customs sent the inspection reports to US Customs. The RFID tags were “read” by RFID readers in Jordan and in Port Authority New York & New Jersey. The RFID provider International Technologies Corporation gave technical training to Petra and networked with US Customs.

Petra uses customs compliance, supply chain security and RFID technology to get competitive advantage. For example, Petra reduced the US Customs import clearance time from between 14 and 21 days to 1 day. Petra saved money using customs compliance, supply chain security and RFID technology. Petra hopes to win new business in the USA. Petra is cooperating with Operation Safe Commerce.

Petra Engineering Industries supply chain security compared with C-TPAT needs:

No	Security criteria	C-TPAT needs	Petra
1	Physical Security	Yes	✓
2	Access Controls	Yes	✓
3	Personnel Security	Yes	✓
4	Education and Training Awareness	Yes	✓
5	Conveyance Security	Yes	✓
6	Trading and Transportation Security	Yes	✓
7	Internal Company Record Keeping Method	Yes	✓
8	Documentation and Information Method	Yes	✓

Supply chain security list of procedures for due diligence:

Procedural Security

Procedural security provides verifiable location of goods in the supply chain. Procedures should provide security of goods throughout the supply chain.

Physical Security

Physical security includes security measures to record and control outside building and interior perimeters. This includes Mail Service Security, Lock and Key Control, and Perimeter and Interior Alarms.

Access Controls

Access controls restrict unauthorized access to building, cars and trucks, loading and unloading equipment, vessels, aircraft, shipping, loading docks, break bulk areas and cargo areas. If, access control is not possible increase other security precautions.

Personnel Security

Personnel security deals with screening of employees, prospective employees and terminated employees as allowed by law.

Education and Training Awareness

Education, training and awareness should include education and training of personnel about security policies, encouraging alertness for deviations from security policies. Staffs need to know what actions should take place when security lapses occur.

Conveyance Security

Conveyance security provides protection from people introducing unauthorized personnel and material into the supply chain. Conveyance security includes areas between the links in the supply chain.

Trading and Transport Operator Security

Trading partner security extends supply chain security to your suppliers and customers. Communication, assessment, training and improvement are key items.

Internal Company Record Keeping

Company's needs internal record keeping procedures. Internal controls include Quality Management System (QMS) and a compliance manual ensuring documents about export and import transactions are correct and stored (3 years).

Jordan Customs Department needs hard copies of documents to check transaction entries in the accounts ledger. JCD needs hard copies to check procurement, and transport transactions. Therefore, the company must store hard copies. Companies must archive electronic information when using computer software such as SAP or as part of a company private exchange methods such as Cisco's e Hub.

Documentation and Information Security

Documentation security, both electronic and manual, assures information is legible and protected against the loss of data or introduction of false information.

Weaknesses in security and compliance should not restrict participation in the Jordan Customs "Golden List" program. The company must prepare and fulfil an improvement plan and give it to Jordan Customs. Jordan Customs works with the trade community to identify effective corrections and adjustments to company methods. The corrections must lead to a more secure supply chain.

Fulfilling the documentation security objectives helps Jordan companies complete their responsibility for self-assessment. Documentation security compliance helps Jordan Customs Department complete an audit.

Jordan commits to guiding principles for co-operation on security and facilitation in the international trade supply chain²⁵

On 26 June 2004 during the 103rd/104th WCO Council sessions, Jordan signed to the Johannesburg Convention in Brussels. This convention gives a basis for international cooperation between customs administrations for approval of global supply chain security. His Excellency Mr. Mahmoud Quteishat was elected as a regional representative of the WCO for the coming period that will last two years. The election of the Jordan Customs Department for the third time was at consensus of all Arab members of the WCO and was internationally welcomed. This came because of the role-played by Jordan Customs Department as well as the distinguished status it occupies.

The WCO Task Force on Security and Facilitation of the International Trade Supply Chain approved the following guiding principles, which form a solid basis to develop co-operative agreements between Customs and trade in this area:

1. The Authorized Trader idea within the supply chain, including an international method of mutual recognition;
2. The use of the Unique Consignment Reference (UCR);
3. Security should be for the entire supply chain, including approved trader property;
4. Expansion of information and intelligence sources and capacities, including the earlier collection and provision of information and intelligence, using all possible sources of data and intelligence involved in the international trade transaction;
5. Base the approach on voluntary co-operation with the international business community and should include mutual recognition of the secure assurance procedures in other countries. However, compulsory choices and creating legislation should remain an alternative;
6. Building on the existing national initiatives such as Business Anti-Smuggling Coalition (BASC) and the C-TPAT.

Approval

The consulting team²⁶ interviewed fifteen Jordan companies. The 15 companies checked six customs due diligence models. Each model includes the professional and expert comments from Jordan volunteer companies. Jordan company approval ensured each model meets the needs of global supply chain members and international organizations.

Manufacturing, garment, chemical, pharmaceutical, olive oil, transport companies approved the export model. An engineering and construction equipment supplier, a pharmaceutical supplier, a manufacturer and several garment factories approved the import model. Three clearing agents approved the customs clearance agent model while a transport company approved the transport model.

Voluntary Self-Assessment

²⁵ *Jordan Customs Department web site*

²⁶ *Further to preparing and completing customs due diligence models, AMIR grantee International Research Corporation (IRC) completed sample supply chain security procedures.*

Each volunteer company wanted to enter the Jordan Customs Department Golden List of compliant companies. Each volunteer company completed a voluntary self-assessment. Each volunteer company prepared and completed a Customs Compliance Manual. Volunteer companies prepared and completed improvement plans. When the volunteer companies finished fulfilling the improvement plan they sent a letter to Jordan Customs Department Risk Management seeking a customs compliance audit.

Senior management must commit to complete customs due diligence.

Note: His Excellency the Director-General of the JCD approved a new unit in Risk Management tasked to carry out compliance audits. AMIR Program risk management consultants trained JCD staff to carry out an audit. JCD Risk Management carried out a practice audit with a volunteer Jordanian company. JCD carried out a customs compliance audit with a volunteer company. JCD prepared a cascade plan to carry out more compliance audits. Six volunteer companies meet His Excellency the Director for Jordan Customs Department to agree plans and improvements.

Partnership

The WCO Memorandum of Understanding (MOU) approach of customs to private industry partnership agreements includes security and trade facilitation. The WCO approach includes the objective of companies getting membership to customs compliance lists.

Each part of the supply chain partnership agreement should meet basic security standards and benefits. Conditions in an agreement include existing tariff, non-tariff and security plans.

The risks for JCD are lower if JCD relies on partners in the Golden List. Therefore, Jordan companies displaying verifiable willingness to improve customs compliance and supply chain security should benefit. Reducing risk in the supply chain in this way helps JCD to fulfill their security role and help legitimate trade.

7. Jordan Customs compliance audit

Jordan Customs Department Risk Management carries out customs compliance audits.

The audit includes:

1. Planning and preparing for compliance assessment;
2. Mutually acceptable timetable;
3. Preliminary meeting and giving auditors a copy of the Customs Compliance Manual;
4. The audit;
5. Reporting the results of the audit to the company;
6. Coordination with the company and Jordan Customs officials;
7. End of audit meeting;
8. Issuing the compliance assessment report;
9. Follow-up.

The AMIR Program provided compliance audit training to Jordan Customs Department Risk Management auditors.

An audit should provide a balance between helping and controlling trade.

An audit is an effective post-entry strategy for ensuring Jordan companies meet their duties. JCD must give compliance information to companies so they get compliant.

The purpose of the Jordan Customs compliance audit is not to “catch” companies for errors made in the past but to increase future compliance.

JCD should explain in the compliance audit report the analysis of errors. The purpose of the evaluation shows if errors were systematic and or recurring. If, errors were systematic JCD needs to recommend and agree a program to correct the errors. If, the errors are recurring there is a need to calculate the effect.

Because the JCD compliance audit finds systematic errors JCD should not exclude a company from membership of the Golden List. JCD gives Golden List membership to companies agreeing to correct systematic errors. JCD gives Golden List membership to companies who agree company internal controls to minimize repeating errors. JCD must agree with the company a program when the corrective action will start and finish. The company will provide a copy of the approved program to JCD Risk Management lead auditor. A charter member of the company board of directors signs the amended internal control program.

Each company needs to decide with JCD the list of preferences because of a successful compliance audit. Because of a favorable audit report JCD should include the company to the “Golden List” of compliant companies.

Customs Due Diligence Self-Assessment Time

Completing a Customs Due Diligence assessment and a JCD compliance audit are parts of a new method. The internal self-assessment should take between 1 to 3 months. The duration of the self-assessment depends on the number of items needing compliance. The duration of the self-assessment depends on the time taken to write the Customs Compliance Manual.

A JCD Risk Management audit should take between 7 to 10 days to complete.

Competitiveness

Importing Jordan companies which produce and export need to improve their competitiveness to increase market access into the USA, EU and regional markets. While other countries improve their competitiveness²⁷ Jordan cannot afford to lag behind. The customs due diligence models provide checklists to fulfill compliance with customs laws and rules, bilateral free trade agreements, new supply chain security needs and recommendations.

Jordan companies need a safe and reliable supply chain providing cost-effective services. Compliant customs procedures and improved supply chain security saves money and time. Saving money and time in the supply chain from Jordan to the US east coast was proven.

A risk to the improved supply chain from Jordan to the US east coast was the congestion in Port Aqaba. APM Terminals improved the flow of containers in Port Aqaba and will install a container location method. The container location method will further reduce container handling time in Port Aqaba.

Vessel turn-round times improved. Maersk Shipping completed a vessel arrival and departure schedule. Port Aqaba cancelled the congestion surcharge.

²⁷ *Egypt signed a QIZ agreement with the US on 14 December 2004. 395 factories have signed to export under the agreement and will start exporting to the United States by August 2005. Minister of Industry and Foreign Trade Rachid Mohammed Rachid estimated textile exports to the United States would triple in the next four years and reach \$1.5 billion under the agreement. International Herald Tribune, 28-29 May 2005, p10.*

Vessels from Port Aqaba dock in Jeddah or Salalah to offload Jordan containers bound for the US east coast. The trans-shipment adds several days to the sailing time. Port Aqaba needs a direct shipping line to reduce the sailing time from 21 days to about 16 days. A vessel sailed directly from Port Aqaba to the US east coast before the congestion in Port Aqaba.

Textile and Apparel Quotas removed in January 2005²⁸

1. The WTO estimate removing Textile and Apparel Quotas China and India will increase US and global market share;
2. “China does not compete just on price: it is not the lowest-cost producer of some clothing items. Its biggest advantages are its industry’s rapid response, reliability, businesslike attitude and keen understanding of customer demand. “It is very easy to do business there,” states Ms. Jones of the US Importer’s Association;
3. US garment buyers may source from 5 or 6 countries by 2007, down from about 50 today, states the “Financial Times”;
4. Wal-Mart may reduce its number of suppliers.

Test shipment: door-to-door Jordan to the USA

40 RFID tracked containers from a Jordan supplier to a US buyer completed a test shipment during late 2004 and early 2005. The test shipment showed how Jordan companies improve supply chain security.

The Jordan supplier fixed RFID tags to each container and on each pallet. The client installed RFID readers with the Jordan supplier and with Jordan Customs. International Technologies Corporation (ITG) from Atlanta Georgia USA trained client personnel. Customs, the client and consultants recognize the technical help from ITG.

The Jordan supplier saved money and reduced shipment time from Jordan to the USA buyer because the containers cleared US Customs in 1-day instead of between 14 and 21 days. The Jordan company complied with US Customs supply chain security needs. The Jordan company could get more business in the USA because of improved customs and supply chain security.

The table explains the door-to door supply chain method:

Complete Supply Chain Security

Supply Chain Flow: Jordan to the U.S.A.	Supply Chain Security Checklist								
	GLDD	C-TPAT	ISPS	24hour	CSI	SSAS	ATS	96hour	OPS
Supplier located in Jordan	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Road Transport	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Port Aqaba Container Terminal	✓	N.A.	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sea Carrier	✓*	✓	✓	✓	✓	✓	✓	✓	N.A.
U.S. port of entry	N.A.	✓	✓	✓	✓	✓	✓	✓	✓
U.S. importer	N.A.	✓	N.A.	N.A.	✓	N.A.	N.A.	N.A.	N.A.

²⁸ *Financial Times*, 19 July 2004, p.9

* Future

N/A = Not applicable

8. Case study

A Secure Supply Chain

Introduction

Before completing the test shipment from Jordan to the US, Bangkok Laem Chabang Port completed a test to Seattle USA in 2002.

STAR-BEST model²⁹

The Secure Trade in the APEC Region is a program to advance the efficient and secure movement of people and goods across borders. The STAR initiative includes the Bangkok Laem Chabang Port Efficient and Secure Trade program.

STAR-BEST fulfilled an end-to-end supply chain solution using radio-frequency identification (RFID) technology and electronic seals to track secure containers from point of origin in Thailand to distribution centers in Seattle, Wash. STAR-BEST completed a cost-benefit analysis.

C-TPAT certified Laem Chabang port.

Benefits

1. Improved global supply chain security and logistical efficiency;
2. Net financial benefits for supply chain participants;
3. Further developments of global security standards and protocols;
4. Support for efforts by Thailand and the United States to carry out the Container Security Initiative;
5. Potential application by other APEC economies in the future.

For shippers, STAR-BEST displayed a secure, tracked and managed supply chain which lowered expenses by reducing logistics and inventory costs and increased revenue by improving service rates. For importers, the project showed that a secure supply chain offers the financial benefits of shorter transit times and reduced inventory safety stocks.

Demonstration

Laem Chabang and Seattle served as the origin and destination points. The project affixed RFID sensor seals, also known as e-seals, to conventional bolt locks on standard 40-foot containers at the point of origin. Truck and rail transported containers to the port and loaded on ships destined for the US. Real-time web-enabled software tracked the containers throughout their route, including other ports along the supply chain.

Port of Seattle terminals unloaded the containers from the ships and the e-seals checked before the containers left port property. At their final destination point operators with hand-

²⁹ *A Secure Global Supply Chain: Evaluating the Return on Investment*, see www.maritimesecurityexpo.com/whitepaperarticles/BearingPointSTARBESTWhitepaper.pdf

held computers verified the container's origin and contents. Once verified, receivers used the hand-held computers to unlock the seals and remove the contents of the container.

STAR-BEST tracked 30 containers.

"We think 'smart container' technologies can improve homeland security while enhancing the efficiency of global trade" states M.R. Dinsmore, Port of Seattle Chief Executive Officer, 14 February 2004.

"Trade is the engine of growth for countries around the world. In today's world, countries also must protect their supply chains to prevent them from becoming tools of terrorism. The STAR-BEST project is an outstanding example of how we can meet important trade facilitation and security goals simultaneously." Thelma J. Askey, Director, US Trade and Development Agency.

9. Checklist method

Each Customs Due Diligence Model includes several checklists. Each Customs Due Diligence Model explains how to complete the checklist. The checklist includes three columns which the company must complete:

1. Compliance: Yes or No;
2. The company will fulfil improvements;
3. Compliance completion target date.

The checklist explains how to complete the column entitled "Response Yes or No" and how to complete the column in case the answer is a "No". Further, the checklist explains how to complete the column entitled "Target date".

Guide

The questions in the checklist are a method for JCD and Golden List candidate companies to decide if the company is ready to assume the responsibilities of self-assessment. The checklist questions show commitment to fulfil actions (internal procedures and controls) to improve compliance. A Jordan company that does not have procedures and controls may answer it plans to prepare and complete procedures and give a target date for fulfillment.

Response Yes or No

A yes or no in this column shows if a Jordan company fulfilled procedures and controls. If, a Jordan company has satisfactory procedures and controls it believes document the company is ready to assume the responsibility of self-assessment, the Jordan company can answer yes to the question. If, the Jordan company does not have satisfactory procedures and controls the company can answer no under this column. Show in the next column that it plans to fulfil procedures satisfactory for the company to assume responsibility of self-assessment.

If No, Plan to fulfill or improve (yes or no)

If, the Jordan company marked "no" under the previous column, the Jordan company can respond yes or no in this column to show it plans to fulfill and improve procedures and controls. Whether the Jordan company procedures and controls are satisfactory but need small improvements, or need significant improvements, we recommend the JCD accept the company into the Golden List under certain conditions. The company must commit to making the necessary improvements and explain the actions. If, the Jordan Company agrees to needed

improvements the company should respond yes in this column. The JCD must periodically check the improvement method. Failure by the company to fulfill the improvements leads to removal from the Golden List. If, the Jordan company does not plan to improve procedures and controls Jordan Customs Risk Management Directorate must meet with the company to decide their readiness to assume responsibility of self-assessment. Shipments from non-members in the Golden List Program should be subject to other risk assessment policies.

Target date

If, the Jordan company shows it will complete procedures and controls under this column, it should give the target date for completing the procedures and controls in this column.

10. Preliminary Checklists

Preliminary checklist explains the ability of a client to carry out a voluntary customs due diligence (Self-assessment). Check the scope and duration of work needed using a preliminary checklist. Carry out a preliminary assessment of the task.

PRELIMINARY CHECKLIST: Customs Agent

Customs Due Diligence Preliminary Voluntary Compliance Check

Name of the client company:

Name of lead manager:

Members of customs compliance due diligence check team:

ISO Certificate Number (If any):

<i>No</i>	<i>Description of due diligence</i>	<i>Name of responsible person</i>	<i>Yes / No</i>	<i>Plan to complete or improve: yes or no</i>	<i>Target date</i>
1	Licensing and certification				
2	Legal				
3	Technical specialization				
4	Method oversight				
5	Internal records and documentation				
6	Information exchange coordination				
7	Internal reviews				
8	Internal records and documentation				
9	Supply chain security validation guidelines: Procedural Security				
10	Access Controls				
11	Physical Security				
12	Access Controls				
13	Personnel Security				
14	Education and Awareness				
15	Conveyance Security				
16	Service Provider Needs: subcontractors				

17	Trading and Transport Operator Security				
18	Internal Company Record Keeping				
19	Documentation and Information Processing Security				
20	Internal Finance and Accountancy Controls				

Date:

Signed:

Responsible company director for the customs voluntary internal due diligence check:

Name:

Title: Chairman.

PRELIMINARY CHECKLIST: Export

Customs Due Diligence Preliminary Voluntary Compliance Check

Name of client company:

Name of lead manager:

Members of customs compliance due diligence check team:

.....

ISO Certificate Number (If any):

No	Description of due diligence	Name of responsible person	Yes / No	Plan to complete or improve: yes or no	Target date
1	External expert				
2	Internal company customs expert				
3	Internal control reviews				
4	Merchandise description and tariff classification				
5	Licensing and certification				
6	Compliance with Jordan Customs Law: Chapter Two: Country of origin				
7	Export and re-export				
8	Chapter eight: common terms				
9	Inspection of goods				
11	Jordan-US Free Trade Agreement				
12	Export to the European Union: The Jordan-EU Partnership Agreement				

13	Supply Chain Security Validation Guidelines: Procedural security				
14	Physical security				
15	Access controls				
16	Personal security				
17	Education and training awareness				
18	Conveyance security				
19	Service provider needs: forwarders and subcontractors				
20	Trading and transport operator security				
21	Internal company record keeping				
22	Documentation and information processing security				
23	Internal finance and accountancy controls				

Date:

Signed:

Responsible company director for the customs voluntary internal due diligence check:

Name:

Title:

PRELIMINARY CHECKLIST: Qualified Industrial Zone (QIZ)

Customs Due Diligence Preliminary Voluntary Compliance Check

Name of the client company:

Name of lead manager:

Members of customs compliance due diligence check team:

ISO Certificate Number (If any):

No	Description of due diligence	Name of responsible person	Yes / No	Plan to complete or improve: yes or no	Target date
-	Qualified Industrial Zone responsibilities				
1	QIZ qualification				
2	Merchandise description				
3	External expert				
4	Internal company customs expert				
5	Merchandise description and tariff classification				
6	Licensing and certification				
7	Accounting and electronic data processing (EDP)				
8	Internal controls				
9	Compliance with Jordan				

	Customs Law: Chapter Two: Country of origin				
10	Export and re-export				
11	Chapter eight: common provisions				
12	Inspection of goods				
14	Jordan-US Free Trade Agreement: exports to the USA				
-	Supply Chain Security Validation Guidelines:				
15	Procedural security				
16	Physical security				
17	Access controls				
18	Personal security				
19	Education and training awareness				
20	Conveyance security				
21	Service provider needs: forwarders and subcontractors				
22	Trading and transport operator security				
23	Internal company record keeping				
24	Documentation and information processing security				
25	Internal finance and accountancy controls				

Date:

Signed:

Responsible company director for the customs voluntary internal due diligence check:

Name:

Title:

PRELIMINARY CHECKLIST: Transport Operators & Ocean Transport intermediaries

Customs Due Diligence Preliminary Voluntary Compliance Check

Name of company:

Name of lead manager:

Members of customs compliance due diligence check team:

ISO Certificate Number (If any):

No	Description of due diligence	Name of responsible person	Yes / No	Plan to complete or improve: yes or no	Target date
----	------------------------------	----------------------------	----------	--	-------------

1	Transport Operators and Road Transport Operators Defined Responsibilities				
2	Internal Expert (Qualified Manager of International Transport)				
3	Internal Reviews				
4	Internal Records and Documentation				
5	Physical Security				
-	Sea Carrier and Ocean Transport Intermediary: Defined responsibilities for onshore procedures				
6	24-Hour Advanced Manifest Rule				
7	Container Security Initiative				
8	Customs Trade Partnership Against Terrorism: C-TPAT				
9	Intermediate Ship and Port Facility Security Code: ISPS				
10	World Customs Organization instruments for Container security				
11	International Shippers and Freight Forwarders Security Code (Draft)				
-	Defined responsibilities for transit				
12	Smart Box Initiative				
13	Ship Security Alert System: SSAS				
14	Automated Targeting System: ATS				
15	96-Hour Advance Notice of Arrival				
16	Operation Port Shield				
-	Seaport Operator Defined Responsibilities				
17	C-TPAT Security Profile Questionnaire				
18	C-TPAT Maritime Port and Terminal Security Recommendations				
19	International Port Security Program				
20	Operation Port Shield				
21	Code of Practice on Security in Ports				
22	International Ship and Port Facility Security Code: ISPS				
-	Supply Chain Security Validation Guidelines				
23	Procedural Security				
24	Physical Security				
25	Access Controls				

26	Personnel Security				
27	Education and Awareness				
28	Conveyance Security				
29	Service Provider Needs: subcontractors				
30	Trading and Transportation Operator Security				
31	Internal Company Record Keeping				
32	Documentation and Information Processing Security				
33	Internal Finance and Accountancy Controls				

Date:

Signed:

Responsible company director for the customs voluntary internal due diligence check:

Name:

Title:

PRELIMINARY CHECKLIST: Warehouse Operators

Customs Due Diligence Preliminary Voluntary Compliance Check

Name of company:

Name of lead manager:

Members of customs compliance due diligence check team:

ISO Certificate Number (If any):

No	Description of due diligence	Name responsible person	Yes / No	Plan to complete or improve: yes or no	Target date
1	Defined responsibilities				
2	Internal company customs expert				
3	Internal expert				
4	Internal reviews				
5	Internal records and documentation				
6	Record keeping and reporting on goods stored in a warehouse				
7	Physical security				
8	Risk management				
9	Compliance with Jordan Customs Law: Application of Customs tariff				
10	Law: inspection of goods				
11	Customs Law: warehouses				

12	C-TPAT warehouse security recommendations for warehouses handling exports to the USA: Physical Security				
13	Access Controls				
14	Procedural Security				
15	Personnel Security				
16	Education and Awareness				
14	Physical security				
15	Access controls				
16	Personal security				
17	Education and training awareness				

Date:

Signed:

Responsible company director for the customs voluntary internal due diligence check:

Name:

Title:

11 Improvement plan

Convert the “No” into a “Yes”

IMPROVEMENT PLAN CHECKLIST

Customs Due Diligence Voluntary Compliance Check

Name of the client company:

Date:

Title and description of the Improvement Plan:
.....

Reasons for improvement:

Responsibility to prepare and complete development and fulfilment of improvement:

Name of the lead manager for the voluntary customs due diligence compliance check:
.....

Members of customs compliance due diligence check team:

<i>Inputs</i>	<i>How to complete fulfilment (Tools and techniques)</i>	<i>Outputs</i>	<i>Start date</i>	<i>Duration: days</i>	<i>Target date for fulfilment</i>
Scope of work; Documentation review;	ISO quality management tools and techniques;	Corrective action; Assign written responsibility;			

Assign staffs;	Decision tree analysis;	New written and approved procedure;			
Impact on clients;	Simulation;				
Review company risk management plan;	Assign team;	New page inserted into company QA Manual and into other manuals;			
Defined roles and responsibilities;	Assign time / days for preparation and completion of the new procedure;	Measured results;			
Work plan for members of due diligence team;	Director responsible for fulfilment.	Performance review;			
Contact supply chain partners.		Training how to fulfil new procedure;			
Tell buyers.		Assign responsibility;			
		Approval;			
		Confirm with JCD when new procedure carrier out			

Signed:

Name:

Title: Chairperson

Company Distribution list:

- 1.
- 2.
- 3.

12. Seeking a JCD audit and JCD “Golden List” membership

How to seek a JCD Risk Management audit and join the JCD “Golden List” Client Program:

1. Expression of interest letter to Jordan Customs Department Risk Management: draft model letter prepared by Dr. Mohamed Tarawneh;
2. Check JCD client history of compliance;
3. Organise a preliminary meeting between the client and JCD Risk Management. Decide if there are no JCD compliance issues. During the preliminary meeting decide the rules for the audit. Decide how and who decides. Decide the lead auditor from JCD. Decide responsibilities, identify communication, duration and schedule. Provide Jordan Customs Department Risk Management the companies new Customs Compliance Manual and company organization chart;
4. JCD Customs Compliance Audit. Show Jordan Customs Department Risk Management the improvement plans. Show results and prove improvement removed the risks. The Customs Compliance Manual helps prove the company fulfilled the improvements. The Customs Compliance Manual shows the written compliance procedures. JCD auditors want to know how the company reduces risk. Explain the new written procedures. The company must give

transaction documentation to the Customs Risk Management auditors. Make a register of the documents. Complete the JCD audit in 3 to 4 days. Get a copy of the JCD Risk Management cascade audit plan. The JCD cascade plan confirms the start date of the audit;

5. Hold an evaluation meeting with JCD auditors. Hold the meeting perhaps after checking the first part of the company’s new customs compliance manual. The objective of the meeting is to update the audit rules and provide feedback. The company may need to prepare and complete a new Improvement Plan. The company and Jordan Customs Department Risk Management may want to sign a Memorandum of Understanding;
6. JCD audit report completed. Tell applicants the result of the audit;
7. Seek membership to the JCD “Golden List”;
8. Decide how to use “Golden List” membership in the companies marketing plan;
9. Decide how to use customs due diligence and supply chain security compliance in the companies marketing plan;
10. Decide how to extend customs due diligence and supply chain security to members of the company supply chain. Complete the company “Full Circle Customs Compliance”.

Note: while completing the Reference Manual JCD Risk Management needs to decide the “Golden List” criteria.

13. Use of electronic data transfer

Radio-frequency identification tags (RFID) use essential data elements (adopted by WCO) identifying each consignment. Approve the final version with JCD Risk Management.

JCD Customs House personnel must attend container stuffing, sealing and RFID tagging. JCD Customs House personnel must complete an Inspection Report. Send the JCD Inspection Report to US Customs at the port of entry. Offloading containers at any US port and transporting the contained by road to the US buyer provides a risk for the exporter.

Companies using RFID tags should tell their clearing and handling agent at the US gateway port so they can tell US Customs.

List of essential data elements (By WCO):

Sender	Name and address of party which, by contract with a carrier, sends goods with the carrier, or has them transported by him
Exporter	Name and address of the person who makes - or on whose behalf- the export declaration - is made - and who is the owner of the goods or has similar right of disposal over them when the declaration is accepted
Description of goods	Plain language description about the goods enough to identify them as needed for banking, Customs, statistical or transport purposes, avoiding unnecessary detail (Generic term) for Goods declaration
Alternative Tariff code number (Customs)	Code number of the goods agree with the tariff nomenclature method of classification in use where the Customs declaration made

Package identification	Identification of description of the form in which goods presented
Number of Packages	Number of packages by commodity code packed in such a way stopping division without first undoing the packing.
Measure unit qualifier	Mark of the unit of measurement in which weight (mass), capacity, length, area, volume or other quantity expressed
Total gross weight	Weight (mass) of all goods in declaration including packing but excluding the carrier's equipment
Place of loading	Name of the seaport, airport, freight terminal, rail station or other place at which the goods (cargo) loaded on to the means of transport used for their carriage from the Customs territory
Carrier identification	Identification of party undertaking or arranging transport of goods between named points
alternative Carrier name	Name of party undertaking or arranging transport of goods between named points
Equipment identification number	Marks (letters and/or numbers) which identify equipment e.g. unit load
Equipment size and type identification	Coded description of the size and equipment
Seal number	The number of a custom seal or another seal affixed to the containers or other transport unit
Identification of means of transport crossing the border of the Customs territory	Identification of the active means of transport used in crossing the border of the Customs territory Carrier Preloading - but may change at short notice
Nationality of means of Transport crossing the border of Customs territory, coded	Name of the country in which a means of transport crossing the border of Customs territory registered, coded
Conveyance reference Number	Unique reference given by the carrier to a certain journey or departure of a means of transport (generic term)
Transport charges method of payment, coded	Identification of method of payment for transport charges
Customs office of exit, coded	Customs office by which the goods leave or intend to leave the Customs territory, coded
Country (ies) of routing, coded	The country (ies) through which the goods are routed between the country of export and destination, coded

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First port of arrival, coded	Name of the (for air) first airport (land) arrival at first border post and (sea) arrival at first port
Date and time of arrival at first port of arrival in Customs territory, coded	Date and time / scheduled date and time of arrival of means of transport at (for air) first airport, (land) arrival at first border post and (sea) arrival at first port, coded
Consignee	Name and address of party to which goods consigned
alternative Consignee, coded	Name and address of party to which goods consigned, coded
alternative Importer	Name and address of party who makes-or on whose behalf a Customs clearing agent or other approved person makes- an import declaration. This may include a person who has possession of the goods or to whom the goods transferred.
alternative Importer, coded.	Name and address of party who makes-or on whose behalf a Customs clearing agent or other approved person makes- an import declaration, coded. This may include a person who has possession of the goods or to whom the goods transferred.
Tell party	Name and address of party to be reported
alternative Tell party, coded	Name and address of party to be reported, coded
Delivery destination	The location delivery of goods. Address, region and or country as needed by national legislation or according to national needs
Agent	Name and address of a person approved to act for another party



Supply Chain Flow: Jordan to the U.S.A.
Supplier located in Jordan
Road Transport
Port Aqaba Container Terminal
Sea Carrier
U.S. port of entry
U.S. importer

Supply Chain Security Checklist								
DD	C-TPAT	ISPS	24hour	CSI	SSAS	ATS	96hour	OPS
✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
✓	N.A.	✓	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
✓	✓	✓	✓	✓	✓	✓	✓	N.A.
N.A.	✓	✓	✓	✓	✓	✓	✓	✓
N.A.	✓	N.A.	N.A.	✓	N.A.	N.A.	N.A.	N.A.

Key:

DD	Due Diligence
C-TPAT	Customs Trade Partnership Against Terrorism
ISPS	International Ship and Port Security Code
CSI	Container Security Initiative
SSAS	Ship Security Alert System
ATS	Automated Targetting System
OPS	Operation Port Shield

15. Marketing: Supply Chain Security Acknowledgement

Complying with C-TPAT accreditation US buyers must get a safe and secure supply chain. US buyers must check supply chain security in the foreign factory. US buyer's duty to check supply chain security in an exporter's factory is an opportunity for Jordan companies to help. Jordan companies must tell US buyers they comply with supply chain security needs.

Help the US buyer comply with C-TPAT needs. Ensure a safe and secure supply chain.

Contact the US buyer and get a Supply Chain Acknowledgement form. Complete the form. Send the completed form to the US buyer.

Alternatively, use a checklist as a Form. Send the checklist to a US buyer.

Supply Chain Security Acknowledgement

Please describe your company supply chain security procedures and internal controls for exports to the USA by checking (√) the correct box below. Thank you.

Select (√) the category that best describes your business with buyers in the USA:

	Manufacturer: exporter
	Warehouse Operator
	Transport Operator: intermediary; sea carrier; shipping agent
	Customer returning US originating products and packing materials
	Other: please specify type

Have you fulfilled supply chain security procedures and controls similar to those recommended in the Customs-Trade Partnership Against Terrorism (C-TPAT) and Container Security Initiative?

	Procedural Security: recorded and verifiable location of goods in the supply chain
	Physical Security: survey and control; outside and inside buildings
	Access Controls: restrict unauthorized access and exit
	Personnel Security: screening employees; I.D. cards
	Education and Training Awareness: what action to take; security policy
	Conveyance Security
	Service Providers
	Trading and Transport Operator Security: communications; security assessment
	Internal Company Record Keeping
	Documentation and Information Processing Security
	Internal Finance and Accounting Controls
	Comments:

Does your company have written security procedures and does it carry out periodic reviews of the procedures and internal controls to get security compliance?

	Yes
	No
	Comments:

Has your company carried out customs and a supply chain security compliance similar with international customs and supply chain security recommendations?

	Yes: Internal voluntary customs and supply chain security self assessment
	Yes: Jordan Customs compliance audit
	Yes: other supply chain security recommendations:
	No

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	Comments:
--	-----------

Has your company prepared, completed and fulfilled procedures reporting shipment losses or abnormalities, whether suspected or confirmed, to the US buyer?

	Yes
	No
	Comments:

Added: Do exports from Jordan to the USA include different parts of supply chain security?

<i>Supply Chain Flow: Jordan to the USA</i>	<i>Supply Chain Security Checklist</i>								
	GLDD	C-TPAT	ISPS	24hour	CSI	SSAS	ATS	96hour	OPS
Supplier property	√	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Road Transport	√	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Port Aqaba Container Terminal	√	N.A.	√	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sea Carrier	√	√	√	√	√	√	√	√	N.A.
US port of entry	N.A.	√	√	√	√	√	√	√	√
US importer	N.A.	√	N.A.	N.A.	√	N.A.	N.A.	N.A.	N.A.

(Insert Company Name) Recognizes US Customs and Border Protection and US Buyer’s emphasis on supply chain security and recognizes that business partners share this commitment.

Name: Signature:
 Title: Date:

The security acknowledgment form uses a US garment buyers form.

DISCUSSION:

1. How to market membership to the JCD Golden List?
2. How to market customs and supply chain security due diligence?

16. Survey Checklist: import companies

Consultants may want to use a checklist to survey potential clients?

Survey Form Volunteer Import Company

#	Question	Answer: Yes / No Please describe
1	Does your company import?	
2	What does your company import?	
3	Does your company sell the import on the local market?	
4	Does your company import the goods to produce and export finished items?	
5	Does your company complete the import clearance procedure?	
6	Does your company use a customs broker?	
7	Under which JCD import regime according is your import (s) classified?	
8	Which documents needed to complete the import clearance? (Please list all documents and permits)	
9	If, you carry out the customs clearance do you have use a qualified and trained professional person complete the clearance?	

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10	Describe the training and qualification provided to your personnel	
11	Is your company a member of a trade association? Please describe which trade association.	
12	Do you have a written customs clearance procedures manual?	
13	Do you subscribe to the Official Gazette to get the latest Jordan Customs information and rules?	
14	Does a person check the accuracy of your customs clearance paperwork?	
15	<p><u>Customs Broker:</u> Does a person check the accuracy of the customs clearance paperwork completed by your customs broker?</p> <p>Do you schedule meetings with your customs broker to check the accuracy of the customs paperwork and the information needed to comply? For example, the commodity tariff code.</p> <p>Do you carry out internal customs compliance audits?</p> <p>Do you have enough personnel to carry out a compliance self-assessment?</p> <p>Please provide the contact details of your customs broker.</p>	
16	<p><u>Jordan Customs Due Diligence:</u> Do you know Jordan Customs Department prepared and completed a Golden List program?</p> <p>Do you want membership to the Jordan Customs Department Golden List?</p> <p>Do you need more information about the Golden List?</p> <p>Does your company want a meeting with the AMIR Program Customs Due Diligence expert with the Director of the Jordan Customs Risk Management Department? The objective will be to explain the why Jordan Customs wants to fulfil a Golden List. The meeting will explain how you get membership.</p>	
17	<p><u>Possible incentives after getting membership to the Golden List:</u></p> <ol style="list-style-type: none"> 1. Minimum rate of inspections; 2. Minimum post audit inspections; 3. Reduce periodic reviews; 4. Preshipment clearance for all consignments; 5. Release of goods before payment of duties; 6. 30-day payment period; 7. Payment installments; 8. Prior disclosure; 9. Complete other incentives. 	
18	<p>Does your company need customs due diligence training?</p> <p>Fee paid by an independent local customs training company?</p> <p>Non-fee paid by your trade association?</p> <p>Other, please describe:</p>	

19	<p><u>Benchmark:</u> What is the average completion time (duration) for import clearance: from registration with Jordan Customs to release of goods?</p> <p>If, you have several commodities please describe the average clearance time for each commodity.</p>	
20	<p><u>Customs issues:</u> What are the customs obstacles and challenges for your company imports: Please explain, for example:</p> <ul style="list-style-type: none"> • Problems in country of origin; • Proving country of origin: • Proving correct commodity code: • Slow paperwork method: • Too many forms from different agencies: • Please explain the other challenges. 	
21	<p><u>Overcoming customs delays and obstacles:</u> Please explain:</p> <ul style="list-style-type: none"> • Lack of a Customs Bonded Warehouse? • Lack of trained company experts? • Create a Customs Due Diligence Working Group between the trade association and Jordan Customs Risk Management Department? • Overcoming the lack of trust between industry and customs and how to get this? • All Customs Rules and decisions placed on Jordan Custom's web site? • Open extra hours? • Simplify the import of samples and patterns (As Article 28 for Tools and Dies); • Jordan Customs Golden List? 	

PART 6

Workshop 3

Carry out Jordan Customs Law Due Diligence for a client

DURATION:

About 4 hours

PRECONDITIONS:

Consultants must have experience and knowledge of the Jordan Customs Law, Customs Rules, Bilateral Free Trade Agreements (USA and EU), and QIZ Rules and supply chain security procedures.

The training is not new employees in the transport and trade industry.

PRE-READING NEEDED:

1. Golden List information on the JCD web site;
2. WCO Supply Chain Guidelines version 2.0;
3. U.S. Customs & Border Protection web site about C-TPAT;
4. “Full-Circle” supply chain security by Walter Hekala;
5. Cascade Customs Audit Method;
6. Manifest data elements for the USA;
7. Six customs due diligence models.

REFERENCES FOR TRAINER and INSTRUCTORS:

The third workshop helps Consultants to carry out a customs due diligence for a client.

This workshop explains the method for carrying out a Jordan Customs Law due diligence.

WORKSHOP OBJECTIVES:

The workshop explains six different customs due diligence models:

1. Export;
2. Import;

3. Warehouse operator;
4. Customs broker;
5. Transport operators;
6. QIZ.

At the end of this workshop Consultants will have the skills to carry out a Jordan Customs Law due diligence.

The Consultant will at the end of this workshop understand the method to carry out a Jordan Customs Law due diligence.

WORKSHOP OUTLINE

1. Introduce the trainers;
2. Introduce Consultants: name, position and contact details. Consultants should bring enough business cards;
3. Agree training room layout, duration, location of rest rooms, location of water and breaks. ALL MOBILES MUST BE SILENT;
4. Explain training room health and safety rules and explain emergency evacuation procedure in case of fire or hazard;
5. Deliver workshop;
6. Summary;
7. Discussion;
8. Questions and answers.

WORKSHOP CONTENT

Jordan Customs Law and Customs Rules using six generic customs due diligence models:

1. Export;
2. Import;
3. Warehouse operator;
4. Customs broker;
5. Transport operators;
6. QIZ.

Consultants need to make notes during the workshop.

EVALUATION OF THE WORKSHOP:

Evaluation not needed.

PART 7

Workshop 4

Carry out Supply Chain Security due diligence

DURATION:

About 4 hours

PRECONDITIONS:

Consultants must have experience and knowledge of the Jordan Customs Law, Customs Rules, Bilateral Free Trade Agreements (USA and EU), and QIZ Rules and supply chain security procedures.

The training is not for new employees in the transport and trade industry.

PRE-READING NEEDED:

Consultants must read the listed reading materials before attending the fourth workshop:

1. Golden List information on the JCD web site;
2. WCO Supply Chain Guidelines version 2.0;
3. U.S. Customs & Border Protection web site about C-TPAT;
4. “Full-Circle” supply chain security by Walter Hekala;
5. Cascade Customs Audit Method;
6. Manifest data elements for the USA;
7. Six customs due diligence models;
8. Sample supply chain security procedures.

REFERENCES FOR TRAINER and INSTRUCTORS:

The fourth workshop helps Consultants carry out a supply chain security customs due diligence for a client.

Explain Supply Chain Security due diligence.

Explain sample supply chain security procedures.

WORKSHOP OBJECTIVES:

The workshop explains to Consultants how to carry out a supply chain security due diligence using six different customs due diligence models:

1. Export;
2. Import;
3. Warehouse operator;
4. Customs broker;
5. Transport operators;
6. QIZ.

Explain the idea of “what is reasonable and practical”. An SME does not need the security a large company needs.

Explain the idea of supply chain security measures without the need for large amounts of money and people.

At the end of this workshop consultants will have the ability to complete a supply chain security check using six different types of customs due diligence models.

The Consultant will at the end of this workshop understand the method to carry out a supply chain security check for a client.

WORKSHOP OUTLINE

1. Introduce the trainers;
2. Introduce Consultants: name, position and contact details. Consultants should bring enough business cards;
3. Agree layout of training room, duration, location of rest rooms, location of water and breaks. ALL MOBILES MUST BE SILENT;
4. Explain training room health and safety rules and explain emergency evacuation procedure in case of fire or hazard;
5. Deliver workshop 4;
6. Summary;
7. Discussion;
8. Questions and answers.

WORKSHOP CONTENT

Supply chain security check using six customs due diligence models:

1. Export;
2. Import;
3. Warehouse operator;
4. Customs broker;
5. Transport operators;
6. QIZ.

Consultants need to write notes during the workshop.

EVALUATION:

Please go to Part 9 of this Reference Manual and complete the Evaluation Questionnaire.

PART 8

Reading Materials

Customs experts chose the reading materials. The consultant must get the materials from the internet.

1. Jordan Customs Law;
2. Jordan Customs Rules;
3. Agreement between the United States and Jordan on Establishment of a Free Trade Area;

The reading materials are essential for Consultants. Most materials are available in Arabic.

The consultant should contact JABA and the EU Information Centre for other materials.

Reading material on a CD-ROM and hard copy for consultants:

VOLUME I

1. WCO High-Level Strategic Group Framework of Standards to Secure and Facilitate Global Trade Version No. 2.0;
2. Full Circle Supply Chain Security Compliance by Walter Hekala;
4. Cascade Customs Audit Method;
5. Press information about JCD Golden List in Arabic;
6. Manifest data elements for the USA;
7. WCO article from The Journal of Commerce.

VOLUME II

Six generic customs due diligence models.

VOLUME III

Sample customs and supply chain security procedures.

Reference Manual.

Send Volume I, II and III hard copies to Consultants before the start of workshops.

PART 9

Evaluation Questionnaire

Evaluation Questionnaire Form

Thank the participants.

The four workshops explained how to carry out a customs due diligence for a client.

The workshops explained how to carry out supply chain security.

The workshops explained how to complete a Customs Compliance Manual and complete and fulfil an Improvement Plan.

The workshops explained how consultants carry out training needs assessments.

The Reference Manual gives consultants information from the beta test of six customs due diligence models.

Improve future training by please completing the evaluation questionnaire. Please complete the questionnaire subjectively.

Participant name:

Training dates:

Training hours:

Name of trainers:

Degree of Effectiveness

No.		Excellent 4	Good 3	Acceptable 2	Poor 1
	Trainer evaluation				
1	Trainer competency				
2	Use of supporting aides				
3	Explanation of importance of the topic to participants				
4	Getting participants' interest to learn				
5	Allowing subjective discussions				
6	Answering questions				
7	Training material coverage				
8	Time management				
9	Logical delivery of material				
10	Material clearly explained				
11	Participants encouraged to present ideas				
12	Instructor's interest in participants' needs				
13	Closing training method				
	Training evaluation				
1	Training benefit				
2	Prepared training material (daily)				
3	Changed training material (daily)				
4	Ability to explain training material (on-the-job)				
5	Enough training material				
6	Enough training aides				
7	Aptness to carry out training				
8	Wish to take part in more training of this type				
9	Suitable training timing				
10	Suitable training place				
11	Suitable training time				
12	Enough training duration				
13	Training material enriched the knowledge of participants in customs due diligence. Preparation and completion of a Customs Compliance Manual. Delivery of training to client staffs				

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No.		Excellent 4	Good 3	Acceptable 2	Poor 1
	Administrative services evaluation				
1	Training room equipped with needed equipment				
2	Clean and comfortable training room				
3	Training aides available				
4	Expected services available				
5	Good hosting services				
6	Enough breaks				
7	Trainers answered participant questions				
8	Trainers cooperation				
9	Helpful administrative personnel				

Comments:

Thank you for cooperating

Annex B: Sample Customs and Supply Chain Security Procedures

Sample Form

Title	
Sub-Title	
Scope	
Responsibilities	
Procedures	
Documents/ References	

Title	Expert From Outside the Company
Sub-Title	Defining Responsibilities When Contracting With a Customs Clearing Agent
Scope	Describe the detailed procedure which defines all requirements/ responsibilities when contracting with a customs clearing agent/ company to act as a clearing agent on behalf of the company.
Responsibilities	Our customs clearing manager/ expert will be responsible for undertaking this procedure.
Procedures	<ul style="list-style-type: none"> • A letter must be issued to the clearing agent/ company authorizing him (it) act on behalf of our company. • The letter must define the clearing agent/company responsibilities. • The customs clearing department in our company must furnishes all documents necessary to facilitate the duties of the customs clearing agent/ company. • The customs clearing department in our company must make all necessary follow ups with the clearing agent/ company. • The customs clearing department must obtain all documents from the clearing agent/ company after goods clearing process is completed, and all documents must be properly filed.
Documents/ References	Authorization letter from our company to the clearing agent/ company.

Attention: Mr.
Manager of Customs Department at the Free Zone

Subject: Authorization

Dear Sir,

We, authorize clearing agent company to clear our imported goods from the Customs Department and undertake on behalf of our company all procedures required to clear our goods via Jordan Customs Department. clearing agent company is also authorized to fill out all import declarations, release goods and take custody of them.

Please consider this letter as complete authorization and valid unless we cancel it in writing.

Yours truly

Name

Signature

Title	Expert from outside the Company
Sub-Title	Securing all Customs Clearing Documents/Paperwork
Scope	Describe the procedure necessary to guarantee obtaining originals/ copies of all customs clearing documents/ paperwork from the appointed clearing agent/company.
Responsibilities	Our customs clearing manager/ expert will be responsible for undertaking this procedure.
Procedures	<ul style="list-style-type: none"> • Our company issues an authorization to a reputable clearing agent/ company to act on our company's behalf. • When goods arrive, the clearing agent informs our company. Our company requests copies of all goods-related documents carried by the truck driver. The documents are verified by our customs clearing department based on data/documents previously obtained from our purchasing department. The verifications include goods quantities, types, numbers, weights, etc. • After all documents are verified, the customs clearing agent/ company is informed to proceed with all clearing steps. • After all clearing processes are completed, the customs clearing agent/ company is informed to send copies of all customs documents including the customs declaration, invoice, certificate of origin, packing list, shipping certificate. • Our customs expert/ department verify all documents before being properly filed.
Documents/ References	Authorization letter from our company to the clearing agent/ company.

**Quality Check List When Engaging the Services of an
External Clearing Agent/ Company**

The customs clearing manager in our company verifies the quality of any external customs clearing agent/ company to be engaged to render services to our company according to the below listed check list.

Name of the Clearing Agent/ Company:

Quality Item	Check Result	Notes/ Observations
Clearing agent certificate issued by Jordan Customs Department is valid/ current?		
Other business certificates issued by the Ministry of Industry and Trade and other parties are valid/ current?		
Quality certificates like ISO?		
Quality of the clearing agent's/ companies internal procedures?		
Qualifications of the clearing agent/ company employees?		
Clearing agent/ company is a member of a recognized agent's society?		
References checked?		

Signature:

Date:

**Minimum Quality When Engaging the Services of an
External Clearing Agent/ Company**

The customs clearing manager in our company verifies the quality of any external customs clearing agent/ company to be engaged to render services to our company according to the following minimum quality requirements.

Name of the Clearing Agent/ Company:

Quality Item	Minimum Requirements	Check Result	Notes/ Observations
Experience certificates	10 years customs clearing experience		
Business practice certificate valid/ current.	Certificate to practice customs clearing must be valid/ current		
Education	Bachelor degree in law or equivalent		
Knowledge of customs law	Comprehensive knowledge is a must		
References	3 references must be fully satisfied with the agent's services		

Title	Expert From Inside the Company
Sub-Title	Guarantee the Proper Evaluation of any Damages to Goods Due to Accidents or Unforeseen External Force Which May Result into Reduced Customs Duties
Scope	Describe the procedures followed to evaluate any damages to goods due to accidents or unforeseen external force which may result into reduced customs duties
Responsibilities	The customs clearing manager/ expert in our company is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• The customs clearing manager/ expert forms a small committee of 2-4 employees who have knowledge of the nature of damaged goods. The committee issues and signs its examination report after the inspection.• The customs department in our company makes all necessary follow ups with Jordan Customs Department to obtain any allowed duties reduction according to Jordan customs law.
Documents/ References	None

Title	Expert From Inside the Company
Sub-Title	Guarantee Company's Knowledge of Any New Changes/ Amendments to Jordan Customs Law and Any New Regulations, Instructions, etc.
Scope	Describe the procedures necessary to guarantee our company's timely knowledge of any new changes/ amendments to Jordan customs law and any new regulations, instructions, etc.
Responsibilities	The customs clearing manager/ expert in our company is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• The customs clearing manager/ expert in our company takes note of any changes, amendments, new regulations, new instructions, etc. of Jordan customs law after making the necessary searches via the internet, official newspapers, other media sources, and personal visits to Jordan Customs Department.• The customs clearing department in our company implements immediately the new changes/ amendments/ requirements after consultation with the company's manager.
Documents/ References	None

Title	Expert From Inside the Company
Sub-Title	Guarantee Submittal of All Required Documents to Jordan Customs Department
Scope	Describe the procedures necessary to guarantee the timely submittal of all required documents to Jordan Customs Department to enable Jordan Customs carry out their duties according to Jordan customs law
Responsibilities	The customs clearing manager at our company is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• The customs clearing department in our company must make all necessary follow ups with Jordan custom department to know Customs requirements in terms of documents and certificates taking into consideration the types of goods and the form of their entry into the Kingdom.• The customs clearing department in our company engages other departments in the company, if deemed necessary, to furnish any additional documents that may be requested by Jordan customs department so that all documents are received by Jordan Customs before any deadlines.
Documents/ References	None

Title	Procedural Security
Sub-Title	Informing Authorities When Observing Any Suspected Illegal Activity
Scope	Describe the Procedures Followed in Informing Jordan Customs Department and Other Authorities When Observing Any Suspected Illegal Activity (Goods, Shipping Certificates, etc.)
Responsibilities	The customs clearing manager in our company is responsible for informing all Government authorities in case undeclared or unknown goods enter into the shipping certificates.
Procedures	<ul style="list-style-type: none">• When observing any suspected illegal activity related to our imported or exported goods, the appropriate Government authority must be informed immediately.• If the suspected activity is Customs-related, then Jordan Customs Department is informed.• If the suspected activity is security-related, then the directorate of general security (police directorate) is informed.• The customs clearing manager must record all the incident details including the parties/ individuals informed and all the follow up steps undertaken.
Documents/ References	None

Title	Procedural Security
Sub-Title	Verification of Truck Driver Identity
Scope	Describe the procedures followed to verify the identity of the truck driver bringing in/ taking out goods into/out of the company premises.
Responsibilities	The customs clearing manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • Before loading any goods on a truck, all driver identity information as well as other information must be recorded. The information must include the name of the driver, driver's national identity number or passport number, driver license number, telephone number, loading date, container number, seal number, truck licenses plate number, name and signature of our company's employee who supervised the loading process. • Before unloading any goods from a truck, the load contents must be verified with the company's records first.
Documents/ References	*****

Title	Procedural Security
Sub-Title	Inspection of Empty Containers
Scope	Describe the procedures followed to guarantee inspecting containers before being filled and guarantee the proper storage of empty or partially filled containers.
Responsibilities	The customs clearing manager and the security officer are both responsible for undertaking this procedure.
Procedures	<ul style="list-style-type: none"> • Our company requests containers from the shipping/ transport company on as-needed basis with specifying the appropriate dimensions. • The shipping/ transport company is instructed to send in only undamaged containers where the outside frame and walls are well protected. • Our company inspects the container from outside and inside upon arrival to assure the correct dimensions and the soundness of the frame and walls. • The empty or partially filled container is stored in a secure area and non-authorized employees are not allowed into that area. The container remains in the secure storage until being filled and sealed. • A customs clearing employee attaches the customs seal on the container and records the seal number in the seals log.
Documents/ References	*****

Title	Procedural Security
Sub-Title	Informing Jordan Customs Department When Discovering any Customs Violation
Scope	Describe the procedures necessary to guarantee informing Jordan customs department of any customs violations when discovered
Responsibilities	The customs clearing manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• All exported goods/ shipments are verified as to their conformity with all customs requirements to avoid any customs violations.• All imported goods/ shipments are verified as to their conformity with all customs requirements to avoid any customs violations.• Jordan customs departments is informed immediately by telephone and in-writing upon the discovery of any nonconformity with customs requirements.• The customs clearing manager makes all necessary follow ups with Jordan customs department until the nonconformity is properly corrected.
Documents/ References	None

Title	Procedural Security
Sub-Title	Disclosure of Nonconformity Errors With Jordan Customs Law, Regulations and Instructions
Scope	Describe the procedures followed to guarantee informing Jordan customs department of any nonconformity errors with Jordan customs law, regulations and instructions.
Responsibilities	The customs clearing manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • All company departments are required to register any customs-related nonconformity error in the readily available “Customs Nonconformity Error Record” form when the error is discovered. • All company departments are required to send periodically a copy of the form to the customs clearing department in the company for review and discussion. • The customs clearing department at the company takes all error forms to Jordan Customs Department to correct and settle any customs obligations and to discuss any amelioration steps. • The customs clearing department at the company properly files all error forms and prepares an annual report to the company’s top management.
Documents/References	Customs Nonconformity Error Record

Customs Nonconformity Error Record

Department Name:

Error Number:

Description of Nonconformity Error	
Reason(s) for the Error	
Employee(s) Responsible for the Error	
Description of Correctional Steps Undertaken	
Description of Measures to Prevent Future Similar Errors	
Results of Discussions Held with Jordan Customs Department	
Requirements/ Recommendations Made by Jordan Customs Department	

Signature of Customs Clearing Department:

Date:

Title	Procedural Security
Sub-Title	Supervision of Goods'/ Shipments' Entry and Exit
Scope	Describe the procedures to guarantee the presence of an authorized supervisor when receiving or sending goods/ shipments out of/ into the company
Responsibilities	The customs clearing manager and the security officer are responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • All company employees who have direct contact/ responsibility with goods customs clearing or entry/ exit into/ out of the company premises must be approved by the appropriate Government authority. • The company's security officer must be present all the time when goods/ shipments enter/ exit into/ out of the company's premises. • An appropriate report must be furnished immediately after goods entry/ exit and submitted to the customs clearing manager in the company.
Documents/ References	None

Title	Physical Security
Sub-Title	General Instructions
Scope	General instruction to enhance the physical security of the company's premises and surrounding areas
Responsibilities	The services and maintenance manager is responsible for undertaking the below listed instructions
Procedures	<p>Instructions:</p> <p>The services and maintenance manager must issue the appropriate instructions to accomplish the following:</p> <ul style="list-style-type: none"> • All buildings are continually maintained to guarantee their physical security • All security systems/ cameras/ alarms/ etc. are well maintained and operative at all times • Routine physical inspections of all buildings and surrounding areas are undertaken • One guard is present at every gate leading into the company premises • Employees parking is separated from visitors parking • Employees and visitors vehicles are not allowed in or near any locations where goods/ cargoes are presents including warehouse and other storage areas • Access is controlled to all cargo storage areas and all documents storage areas • All employees in charge of security are well selected with background checks made • Identities of visitors and employees are verified before entering the company gates
Documents/ References	

Title	Physical Security
Sub-Title	Routine Physical Security Inspection
Scope	Describe the procedures required to guarantee that routine physical security inspections are undertaken
Responsibilities	The services and maintenance manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• The company's security officer must undertake a routine physical security inspection once every month• The physical inspection should be according to the "Physical Security Inspection Check List"• The security officer makes recommendations to enhance security based on the inspection results• The services and maintenance manager issues instructions to enhance physical security based on the security officer's recommendations
Documents/ References	Physical Security Inspection Check List

Physical Security Check List

The security officer of the company undertakes an unannounced physical security inspection once a month to guarantee the physical security of the company's premises and surrounding areas according to the below check list.

Items to be Inspected	Inspection Results	Notes/ Observations
Premises Fences		
Doors' Locks		
Main Gates		
Windows Security Meshes		
Security Alarm System		
Guard Room/ Window		
Cameras		
Lighting		
Fire Alarm System		
Security of Warehouses and Surrounding Areas		
Warehouses Doors and Windows		
Legibility of Warning and Other Signs		
Visitors Reception Room and Registry		
Routine Maintenance Operations		
Instructions and Announcements Boards		
Emergency Electric Generators		
Any Other Observations		

Recommendations		
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Security Officer's Signature:

Date of Inspection:

Title	Access Control
Sub-Title	Individuals and Vehicles Access Control
Scope	Describe the procedures required to guarantee preventing unauthorized individuals and vehicles from entering the company premises
Responsibilities	The company's security officer is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • The security officer issues all necessary instructions to the company gates' guards and other employees to guarantee the prevention of unauthorized entry of individuals and vehicles into the company's premises • The security officer issues all necessary instructions to the gates' guards to check the identities of all vehicles (cargo and non cargo) and all individuals (visitors and non visitors) to prevent unauthorized entry
Documents/References	Access Control: Duties of the Company's Security Officer Access Control: Instructions to the Gate Guard Regarding Visitors Access Control: Guards Outfit, Instruments and Night Duties

Access Control
Duties of the Company's Security Officer

The company's security officer is responsible for issuing all necessary instructions to guarantee the prevention of unauthorized entry of vehicles and individuals into the company's premises. The company's security officer is responsible for issuing the necessary instructions to include:

1. Instructions to gates' guards to prevent unauthorized entry by vehicles and individuals.
2. Instructions to check out the identities of individuals/ visitors and provide them with the appropriate visitors cards/ tags; and to record the names, entry and leaving times, purpose of the visit, etc. in the appropriate recording registry.
3. Instructions to check out the identities of all employees when deemed necessary; especially when not know to the guard.
4. Instructions to the company guards to challenge unknown individuals inside or near the company premises.
5. Instructions to monitor employees and visitors parking spaces.
6. Instructions to prevent vehicles from parking near areas where cargo is being stored, stuffed, loaded or unloaded.
7. Instructions to post appropriate signs at locations where unauthorized entry is prohibited.

Access Control

Instructions to the Gate Guard Regarding Visitors

When a visitor arrives at the gate, the gate guard must follow the following procedure to enhance access control by individuals into the company's premises:

1. The guard welcomes the visitor and politely asks for the purpose of the visit.
2. The guard makes a telephone call to the employee who is expecting the visitor to verify the visit.
3. The guard then asks for an identification card to verify the identity of the visitor.
4. The guard registers the name and the identification card number of the visitor in the visitor's record log.
5. The guard gives the visitor a Hanging Visitor Card.
6. The guard calls another guard or one of the designated company employees to escort the visitor to the appropriate office where the visit should take place.

Access Control

Guards Outfit, Instruments and Night Duties

The following procedures must be followed by all company security guards:

1. All guards must wear the special recognizable outfit which is normally handed to them upon commencing their employment with the company. No guard is relieved from this requirement while in duty.
2. All guards must report any malfunction in any of the security cameras immediately to the company's security officer.
3. All guards must use hand-held lights while in night duty and must maintain the workability of their hand-held lights.
4. Two guards at minimum must be present at the company's premises during the night shift.
5. The night duty guards must make routine inspections around the company's premises.
6. All guards must keep communications channels open with each other during their duty, especially at night.

Title	Personnel Security
Sub-Title	Employee Health Screening
Scope	Describe the procedures required to make sure that new employees are in good health and do not suffer from any diseases that may threaten other employees
Responsibilities	The human resources manager will be responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• All new employees are sent to a medical clinic for health screening before being officially hired by the company.• The new employee is officially hired only after completing the health screening step and obtaining a medical certification indicating that he/ she is in good health and does not suffer from any disease that could be threatening to other employees.
Documents/ References	None

Title	Personnel Security
Sub-Title	Employees Safe Discharge Under Fire/ Emergency Conditions
Scope	Describe the procedures implemented to guarantee the safe discharge of employees in case of fire or any emergency condition
Responsibilities	The human resources manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • The human resources manager, in cooperation with the company's security officer, puts a discharge plan to guarantee that all personnel are quickly discharged from all buildings/ locations in case of a fire or similar emergency situation. • The discharge plan is explained and clearly communicated to all company divisions and departments. • The human resources manager and the company's security officer undertake training sessions to all employees on the appropriate course(s) of action to take under emergency conditions. Cooperation with the fire department to enhance the training sessions should always be considered. • All emergency exits must be clearly marked and regularly checked to guarantee their safe operation.
Documents/ References	None

Title	Personnel Security
Sub-Title	Security of New Employees
Scope	Describe the procedures required to guarantee that a new employee is secure and has no illegal intentions behind requesting employment with the company
Responsibilities	The human resources manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• The human resources manager collects as much information as it takes about any candidate to guarantee that the candidate has no other intentions by working for the company but to serve the company.• The human resources manager must always contact previous employers and hold a personal interview with the candidate.• The “Security of New Employees Check List” must be completed for all candidates at minimum.
Documents/ References	Security of New Employees Check List

Security of New Employees

Check List

The human resources manager is empowered by the top management of the company to collect as much information as it takes about any employment candidate to guarantee that the candidate has no other intentions by working for the company but to serve the company. The below listed criteria is considered a minimum standard that must be applied to all candidates.

Candidate Name:

Criterion	Result	Signature
Verification of all Information Presented on the Application Form		
Verification of Previous Employment by Calling Previous Employers		
Personal Interview (Technical, Educational, Personality)		
Security Clearance Certificate From the Police Department (if Deemed Necessary)		
Criminal Record Clearance Certificate From the Court (if Deemed Necessary)		
Overall		

Title	Personnel Security
Sub-Title	Security of Sensitive Jobs
Scope	Describe the procedures required to guarantee that sensitive jobs are held by employees who have long service record with company or by employees who are well screened from the security-background view point
Responsibilities	The human resources manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • Sensitive jobs include regular and supervisory jobs where personnel have direct work/ contact with cargoes and cargoes documents (e.g., stuffing and sealing containers, loading and unloading cargoes, cargoes packing, security personal/ guards, computer network manager, documents storage areas supervisors, etc.) • The human resources manager, in cooperation with the company's security officer, identifies all sensitive jobs; and from time to time, reviews the descriptions of these jobs. • Sensitive jobs are filled, preferably, with existing company employees who have long service history in the company and well-known of their high ethical characters. • Sensitive jobs can be filled with new employees only after presenting a police security clearance certificate.
Documents/ References	None

Title	Security Awareness, Education and Training
Sub-Title	Enhancing Employees Security Awareness, Education and Training
Scope	Describe the procedures required to make all company personnel work toward achieving the company's security goals
Responsibilities	The human resources manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • The overall security of the company operations (including the security of procedures, personnel, premises, cargoes, documents, etc.) can not be accomplished without the joint effort of all company employees. • All employees must be offered an awareness sessions to make sure they understand the importance of security and how they can act to enhance the senses of security in the work place. • All employees must be encouraged and rewarded for reporting any kind of security threat. • All employees must understand the security procedures implemented by the company and must act responsibly towards these procedures. • All employees must receive adequate education/ training with respect to security matters by sending them to third-party training center and/or by inviting lecturers/ speakers from outside the company. • The company's security officer is responsible for holding awareness, education and training sessions inside the company.
Documents/References	None

Title	Cargo Security
Sub-Title	General Instructions
Scope	Describe the general instructions that must be adhered to before, during and directly after the container is loaded with cargo
Responsibilities	The customs clearing manager and the company's security officer are responsible for having the below listed instructions adhered to at all times.
Procedures	Instructions: <ul style="list-style-type: none">• Only authorized employees are allowed in the loading area where cargoes are loaded and stuffed inside the container.• The container must be inspected visually directly before loading any cargo inside the container.• The company's security officer or his representative must be present all the time during loading cargo into the container.• All documents pertaining to the cargo shipment must be checked earlier before loading the cargo inside the container (invoice, certificate of origin, shipping documents, export permit, etc.)
Documents/References	None

Title	Cargo Security
Sub-Title	Use of Containers Seals
Scope	Describe the procedures followed in the use of containers seals to prevent any illegal cargoes from entering company containers
Responsibilities	The customs clearing manager and the company's security officer are responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none">• Loading and stuffing the container with cargoes must be supervised by the company's security officer or his representative.• After loading is completed, the container door is closed and the customs seal is attached to the door and checked by the company's security officer or his representative.• Seals numbers are to be used randomly rather than in consecutive order.• Seals numbers are registered on the "Containers Numbers Record" and filed in the customs clearing department of the company.
Documents/ References	Containers Numbers Record

Title	Service Providers Security
Sub-Title	Shippers and Land Transport Companies Security
Scope	Describe the procedures to guarantee the security of the shipping and land transport companies which provide shipping/ land transport services to the company
Responsibilities	The customs clearing manager is responsible for undertaking this procedure
Procedures	<ul style="list-style-type: none"> • Shipping and land transport companies that provide services to the company must be selected in such a way to enhance the overall security of the company. • The selected companies must be from among the highly reputable companies that have an excellent sense of security for the cargoes and the documents related to such cargoes. • The selected companies should have adequate computer resource systems to enable it to provide quick information about the cargoes they carry. • The selected companies must have the ability to provide accurate feedback about they cargoes all the time while these cargoes in their possession. • The customs clearing manager is responsible for making the appropriate selection of such companies according to the guide check lists (Shipping Companies Evaluation Check List, Land Transporters Evaluation Check List)
Documents/References	Shipping Companies Evaluation Check List Land Transporters Evaluation Check List

Shipping Company Evaluation Check List

Shipping Company Name:

Contact Person:

Address:

Telephone Numbers:

Fax Numbers:

Website:

E-Mail Address:

Evaluation Criterion	Results/ Observations
Business Registration Certificate (Current, For How Long Being in Business)	
Any Quality Certification/ Certifying Body (ISO 9901 or Similar)	
Does Our Company Have a Previous Experience With This Provider?	
Did Our Company Issue an Authorization Letter to This Provider to Furnish Services to Our Company?	
Do we Have Information About or Did we Test Review the Internal Procedures of This Provider?	
Do we Have Information About the Qualifications of the Professional Staff of This Provider?	
Is This Provider a Member of Any Local or International Business Association or Society (i.e., Jordan Freight Forwarders and Customs Brokers Association)	
Did This Provider Receive Penalties Before by Jordan Customs Department or Other Government Organization?	
Overall (Formally Specify if we Can Use This Provider)	

Signature:

Date:

Land Transporters Evaluation Check List

Shipping Company Name:

Contact Person:

Address:

Telephone Numbers:

Fax Numbers:

Website:

E-Mail Address:

Evaluation Criterion	Results/ Observations
Business Registration Certificate (Current, For How Long Being in Business)	
Any Quality Certification/ Certifying Body (ISO 9901 or Similar)	
Does Our Company Have a Previous Experience With This Provider?	
Did Our Company Issue an Authorization Letter to This Provider to Furnish Services to Our Company?	
Do we Have Information About or Did we Review the Internal Procedures of This Provider?	
Do we Have Information About the Qualifications of the Professional Staff of This Provider?	
Is This Provider a Member of Any Local or International Business Association or Society (i.e., Jordan Freight Forwarders and Customs Brokers Association)	
Is This Provider a TIR Agreement Signatory?	
Did This Provider Receive Penalties Before by Jordan Customs Department or Other Government Organization?	
Overall (Formally Specify if we Can Use This Provider)	

Signature:

Date:

Internal Record Keeping System

Instruction- All Company Departments

All company departments are required to keep, store and maintain all records pertaining to the company's import transactions and import processing for a period of five years. This requirement includes soft documents stored in the company's computer system and hard documents required by Jordan customs department and/ or other third parties.

“Records” as stipulated by this instruction means any information made or normally kept in the ordinary course of business which pertains to the following activities:

- Accounts: record of reconciliation, receipts, payment documents, VAT payments, etc.
- Warehouse documents: delivery notes, goods received notes, inventory lists, record of deliveries, etc.
- Importation, declaration or entry.
- Transportation or storage of merchandise carried or held under guarantee into or from the customs territory of Jordan and all other countries where company operates.
- Filing of a drawback claim (re-export).
- Collection and payment of fees, duties and taxes to Customs.
- Any other activity required to be undertaken pursuant to laws or regulations administered by Customs, such as transfer pricing and expert independent inspection, etc.

Further, the term “records” includes any information required for the entry of merchandise and other information pertaining to or from which is derived, any information element set forth in a collection of information required by the Customs Law in connection with an activity described above. The term includes, but is not limited to:

- Statements, declarations and relevant supporting documents.
- Electronically generated or machine readable data.
- Electronically stored or transmitted information or data.
- Books, papers, correspondence.
- Accounts, financial accounting data, technical data.
- Computer programs necessary to retrieve information in a usable form.
- files of drawback claims.
- Transport or warehouse / store merchandise documents held in bond.
- Documents that are required by law to be stored.

Internal Record Keeping System

Instruction- Customs Clearing Department

The customs clearing department is required to keep, store and maintain the following documents, and any supportive documents attached to them, for a period of five years.

- Air way bill.
- Bill of lading.
- Carries certificate.
- Declaration of entry.
- Power of Attorney.
- Packing list.
- Bond information.
- Vessel, vehicle or air manifest.
- Certificates of Origin.
- Any other documents that are relevant for specific commodities and/ or transport modes.

Security and Management of Information and Records

Instruction- All Company Departments

To assure maximum security and the proper handling of company records, all departments are required to follow the following instructions.

- Records must be kept in a lockable secure storage place.
- Records must be indexed in a retrievable fashion.
- Each department must have an established reliable destruction cycle to prevent the premature destruction of required records.
- Each department must have the right documentation that allows the department to dispose of and proves that it has disposed of documents that are more than 5 years old.
- Each department must assign a person as the custodian of the department's records.
- Each department must have back up copies of all important records.
- Each department must arrange with the company's computer department to have a user-access-control to information systems by level of job responsibility.
- Each department must have a physical security in the computer areas and must have measures to prevent unauthorized access to computers.
- Each department head/ manager is responsible for monitoring employee use of computer and other data systems.
- Each department must arrange with the company's computer department to have processes for backup computer systems data.