

Controls

This chapter outlines the internal control environment that supports customs and excise compliance at terminal level. It distinguishes between three interrelated layers of control: **operational internal controls**, **general compliance controls**, and **license compliance controls**. Together, these ensure that all relevant activities are performed in accordance with legal requirements, license conditions, and internal standards.

- Operational Internal Controls
- General Compliance Controls
- License Compliance Controls
- Learning (Placeholder)

Operational Internal Controls

Operational controls govern the accurate and consistent execution of customs- and excise-related activities in the terminal's day-to-day operations. These include:

- **Accurate registration of product movements** in the Terminal Management System (TMS), capturing relevant data such as product classification, quantity, and regulatory status (e.g. customs warehoused, excise suspended).
- **Automated interfacing between TMS and the Customs Management System (CMS)**, enabling timely and correct generation of customs declarations, EMCS messages, and related compliance records.
- **Segregation of duties** between planning, execution, and reporting roles to minimise operational and compliance risks.
- **Routine checks and reconciliations**, exception reporting, and automated monitoring supported by the BzCtrl compliance platform to identify and address deviations.

These controls help ensure the operational integrity and traceability of customs- and excise-relevant processes.

The following section provides an overview of the key controls that form part of the Customs and Excise Compliance Framework. These controls are designed to manage legal obligations, mitigate compliance risks, and ensure the integrity of customs- and excise-related processes across operational, general compliance, and license-specific areas.

It is important to note that the **design, scope, and frequency** of these controls are not static. They are subject to change based on **regulatory developments, business needs, operational changes**, and **findings from audits or monitoring activities**. As such, the control framework is **adaptive by nature** and reviewed on a regular basis to ensure that it remains effective, proportionate to risk, and aligned with the evolving requirements of the business and the applicable legal landscape.

Recurring To Do				
Title ↑	Assignee	Recurrence	Start Date	Next Creat
Clearance outgoing customs documents	CS	Weekly (interval)	01-01-2026	13-01-2026
Incident review	C	Monthly (interval)	03-07-2025	02-09-2025
Stock reconciliation	CS	Monthly	03-07-2025	10-07-2025

Control: Monitoring and Clearance of Outgoing Customs Documents

In accordance with applicable customs and excise regulations, the **consignor** bears fiscal responsibility for ensuring the **timely and accurate clearance** of outgoing customs documents, including but not limited to **transit (e.g. T1), electronic Administrative Documents (e-ADs), and export declarations**.

The purpose of this control is to **monitor the clearance status of such documents**, identify any delays or irregularities, and take timely corrective action where needed. This helps to ensure that all obligations related to the closure of the customs procedure are met and that the organisation remains protected against **potential financial liabilities**, such as duties, penalties, or guarantees being called upon due to unclosed movements.

By safeguarding the proper clearance of outgoing customs flows, this control contributes to the organisation's overall customs compliance, risk mitigation, and audit readiness.

Control: Incident Review and Trend Analysis

The objective of this control is to **periodically review recorded incidents** within the customs and excise compliance domain in order to identify **recurring patterns, root causes, or structural weaknesses**. This review is conducted both at a **macro level** to detect trends or systemic issues that may require corrective or preventive measures and at a **micro level**, where individual incidents may warrant more detailed investigation.

By systematically analysing incident data, this control supports **continuous improvement, risk mitigation**, and the **strengthening of internal controls**, ensuring that appropriate follow-up actions are taken and that lessons learned are embedded in the organisation's compliance practices.

Control: Monthly Stock Reconciliation

This control ensures that a **monthly reconciliation of stock records** is performed to verify that all goods held in the terminal are properly accounted for in the administrative systems. The objective is to confirm the **accuracy, completeness, and consistency** of physical stock levels against system-based inventory records.

From a compliance perspective, customs and excise authorities require businesses operating under suspension or bonded regimes to maintain **adequate and reliable stock records** as part of their record-keeping obligations. Regular reconciliation supports this requirement and helps detect discrepancies, losses, or administrative errors in a timely manner.

This control is fundamental to maintaining the **integrity of inventory data**, safeguarding authorisation conditions, and ensuring ongoing compliance with customs and excise legislation.

General Compliance Controls

General compliance controls are preventive and governance-focused, ensuring that activities at the terminal are legally permissible and that responsibilities are properly mandated. These include:

- **Product acceptance controls**, designed to confirm that only goods falling within the authorised scope of the terminal's customs and excise licenses are accepted for storage, processing, or movement. This includes verification of product type, regulatory classification, and handling requirements during onboarding or order entry.
- **Validation of mandates and powers of attorney**, ensuring that all parties represented in customs and excise transactions (e.g. importers, exporters, consignors) have issued valid, legally binding authorisations. These documents are reviewed for correctness, signed by authorised representatives, and maintained as part of the compliance documentation set.
- **Review of contractual terms**, including Incoterms and service agreements, to clarify roles and responsibilities in customs declarations and excise obligations.

These controls serve as a first line of compliance assurance, preventing unauthorised or non-compliant activities before execution.

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Recurring To Do				
Title ↑	Assignee	Recurrence	Start Date	Next Cre
Verification of valid mandates	CS	Yearly	03-07-2025	10-09-2025

Control: Annual Verification of Valid Mandates

This control ensures that all customer mandates, such as powers of attorney and authorisations for customs representation, are **reviewed annually** to confirm their **validity, scope, and legal effectiveness**. The aim is to ensure that, wherever possible, **the customer remains the party directly liable** towards the customs authorities, thereby reducing the organisation's financial and

operational risk.

Given that such mandates are often **time-limited** and critical to determining responsibility in customs matters, this control supports a **consistent and documented approach** to managing representation. It ensures that declarations are made on a proper legal basis and that any exceptions are **justified, assessed, and approved** within an established risk framework.

License Compliance Controls

License compliance controls ensure that the terminal continues to meet the conditions of its customs and excise authorisations. Key elements include:

- **Monitoring of license conditions**, such as permitted activities, approved goods, bonded storage limits, and site layout specifications.
- **Change management procedures** to assess the impact of legal, operational, or structural changes on license scope or validity (e.g. changes in legal entity role, board composition, or site infrastructure).
- **Maintenance and periodic review of the AO/IC** (Administrative Organisation and Internal Control), which forms the basis for demonstrating compliance with license requirements.
- **Filing of required notifications and reports** with authorities, including periodic customs declarations, EMCS movements, and inventory statements.
- **Internal audits and control testing**, supported by the BzCtrl platform, to identify compliance gaps, monitor corrective actions, and document continuous improvement.

By integrating these three layers of control, the terminal ensures a comprehensive and proactive approach to customs and excise compliance supporting operational accuracy, legal accountability, and regulatory assurance.

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Recurring To Do

Title ↑	Assignee	Recurrence	Start Date	Next Create
Audit trail	CS	Yearly	03-07-2025	30-08-2025
Accounting system	CS	Yearly	03-07-2025	30-08-2025
Compliance record	CS	Yearly	03-07-2025	30-08-2025
Customs routines	CS	Yearly	03-07-2025	30-08-2025
Flow of goods	CS	Yearly	03-07-2025	30-08-2025
General information	CS	Yearly	03-07-2025	30-08-2025
Information security	I	Yearly	03-07-2025	30-08-2025
Personnel Security	H	Yearly	03-07-2025	30-08-2025
Practical standards of competence or professional qualifications	C	Yearly	03-07-2025	30-08-2025
Proven financial solvency	F	Yearly	03-07-2025	30-08-2025
Upcoming changes in commodity codes and prohibitions and restrictions	C	Monthly (interval)	03-07-2025	02-11-2025

Learning (Placeholder)

A key element of maintaining an effective Customs and Excise Compliance Framework is ensuring that all relevant stakeholders possess an up-to-date understanding of applicable legislation, procedures, and industry practices. Within the BzCtrl. platform, a dedicated Learning module supports this objective by offering structured access to various sources of knowledge, including:

- **Industry-provided learnings**, such as regulatory insights, practical case studies, and peer experiences
- **Learnings issued by the European Commission**, including updates to Union Customs Code (UCC) guidance, explanatory notes, and implementation practices

These resources are essential in equipping personnel with the awareness and insight required to make informed decisions, interpret obligations accurately, and anticipate regulatory changes.

By embedding learning into the compliance framework, the organisation fosters a **culture of continuous improvement**, reinforces **individual accountability**, and strengthens its ability to **remain compliant in a dynamic and complex regulatory environment**.

References to content to be included.