

New Zealand Customs Service

SECURE EXPORTS PARTNERSHIP

*Important Information
for Applicants*



NEW ZEALAND
CUSTOMS SERVICE
TE MANA ARAI O AOTEAROA



New Zealand Customs Service

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DISCLAIMER

This document is provided on the understanding that it outlines proposals for Secure Exports Partnerships as at December 2003. The New Zealand Customs Service reserves the right to make changes to the Secure Exports Partnership scheme. Customs is not liable for the results of any actions taken or omitted to be taken on the basis of information contained in this publication.

Further copies of this document are available from your local Customs office or email exports@customs.govt.nz

CONTENTS

Foreword	2
Introduction	3
The Export Process	5
Invitation to Consider Secure Exports Partnership	6
Secure Exports Partnerships in Principle	7
• Framework	7
• What do we mean by security?	7
• Advantages for exporters	8
• Advantages for New Zealand	8
• Responsibilities	8
• Risk awareness	8
Secure Exports Partnerships in Action	9
• How to participate	9
• Process map	10
• Security plan	10
• Client agreements	11
• Seals	11
• Audit	12
• Withdrawal	13
• Revocation	13
• Renewal	13
• Fees	13
Secure Exports Partnership Supply Chain	14
Application Process	16
Secure Exports Partnerships in Detail	17
• Appendix 1 – Security Plan Information	17
• Appendix 2 – Indicators of Suspicious Activity	22
• Appendix 3 – Check List	25
• Appendix 4 – Legislation	26
• Appendix 5 – Contacts	27
• Appendix 6 – Glossary	28
• Appendix 7 – Application For Secure Exports Partnership	30



FOREWORD

Thank you for your interest in the security of New Zealand's trade.

The New Zealand Government has identified a need to improve the security of the supply chain into and out of New Zealand, as the international environment grows more risky.

The New Zealand Customs Service has been instructed to take a lead in trade security, while other government agencies are working on other aspects of security of air and sea ports, craft and passengers, and biosecurity.

Effective security requires partnership, and we can only enhance supply chain security with the cooperation of everyone - all parts of government, and you, the business sector.

I want to thank all those who have contributed to date, in particular our pilot partners Argent Metal Technologies, the Port of Napier, Richmond Meats, the Ports of Auckland, and the many government agencies involved in the supply chain especially the Ministry of Agriculture and Forestry (MAF), the New Zealand Food Safety Authority (NZFSA), and the Ministry of Transport (MoT).

We appreciate the positive hearing we have had from exporters and others involved in the supply chain throughout 2003 as we discussed aspects of our security strategy with you.

We are now moving from the planning to the action.

The Border Security Bill is due to be passed in 2004.

From 1 March 2004 we will insist on goods being cleared by Customs before they are loaded for export.

From June 2004 we aim to have the first Secure Exports Partnerships operating.

Internationally, the United States Bureau of Customs and Border Protection is acknowledging our security efforts. The European Union is also developing procedures to enhance security and facilitate trade, and we are striving to ensure our supply chain security measures meet their requirements.

Securing New Zealand's export supply chain is a process of ongoing improvement. Every step we take, either through your actions in your business or our actions at the border, contributes to maintaining New Zealand's reputation as a secure trading partner.

That's what we all want, because that's good for all of us.

A handwritten signature in blue ink that reads "Robin Dare". The signature is written in a cursive, flowing style.

Robin Dare,
*Comptroller of Customs,
New Zealand Customs Service.*

INTRODUCTION

Responding to the new international security environment requires innovation and original solutions to minimise compliance costs while ensuring the smooth flow of trade with minimal disruption.

The efficiency of the supply chain is based on successful integration of many elements, and therefore enhancing security also requires an integrated solution.

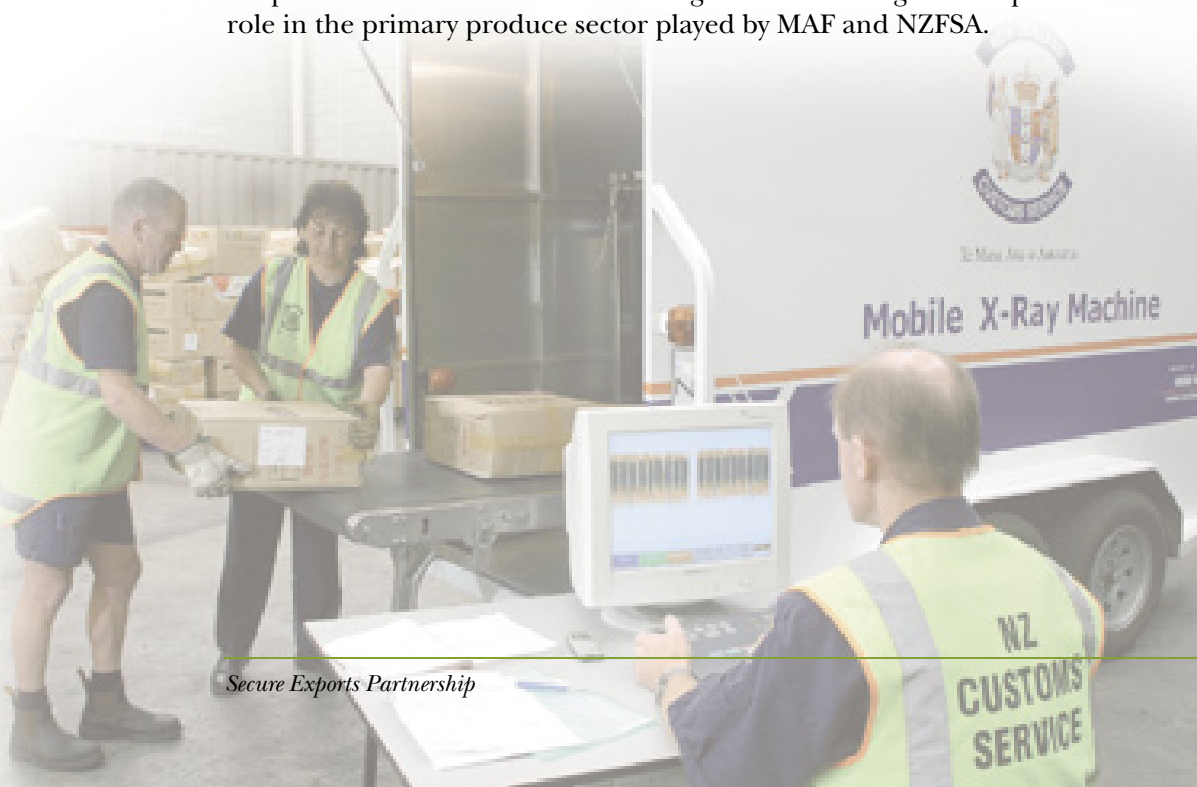
Traders, ports and airports, transport companies and freight forwarders continue to be involved in developing and implementing the supply chain security strategy, along with a range of other government agencies.

The Secure Exports Partnership scheme is a key element in the supply chain security strategy. Improving border security to meet emerging international requirements requires extra attention to exports. It is proposed to apply the following elements to managing exports:

- Electronic lodgement of accurate information prior to loading for shipment.
- Risk assessment through intelligence assessment of all information using both Customs' computer system and the experience of Customs officers.
- Examination of cargo identified as of interest to Customs, using either non-invasive technology or physical inspection.
- Voluntary arrangements with business to encourage compliance, backed up by legislation and regulation as required. These will reduce risk by establishing tighter security throughout the supply chain through the Secure Exports Partnership scheme.

The scheme is designed to protect against tampering, sabotage, smuggling of terrorists or terrorist-related goods, and other transnational crime, from the point of packing to delivery.

Customs recognises the importance of partnership with business and close cooperation with other Government agencies. We recognise the particular role in the primary produce sector played by MAF and NZFSA.



The Secure Exports Partnership Agreement will set the standard that the export partner must meet. Wherever possible, Secure Exports Partners involved in the export of primary produce will be able to include existing MAF or NZFSA requirements in their Agreement, to minimise compliance costs and impacts.

Customs FrontLine and Audit officers will work with exporters in the implementation of the Secure Exports Partnership scheme as part of our commitment to working with business to protect New Zealand's reputation as a secure trading partner.

Customs has provided considerable advice to industry regarding security developments. The booklet *Securing New Zealand's Exports, July 2003* provided a comprehensive introduction to the overall security strategy and the Secure Exports Partnership scheme.

This document provides potential Secure Exports Partners with detailed information about the scheme and application requirements for it.

New Zealand Customs Service – Supply Chain Security Regime



THE EXPORT PROCESS

Exporters have an existing legal obligation to lodge an export entry providing details of their shipment to Customs.

Exporters of consignments worth less than \$1,000 are not required to lodge an export entry, although you may still choose to do so for other reasons*. Another form of Customs declaration (an Electronic Cargo Information or ECI report) may be lodged for such cargo on your behalf by the freight forwarder, consolidator, shipping company or airline, but this needs to be agreed and confirmed. Alternately, you can lodge an ECI report on-line at www.customsentry.govt.nz

The information on your export entry or other declaration is vital to enabling Customs to assess the level of risk and decide whether we need to examine any shipment.

Currently, exporters are required by law to lodge an export entry 48 hours prior to the goods being loaded for export. Some exporters have been able to get an exemption to that time-frame. This exemption, known as a derogation, allowed them to lodge entries up to five days after the goods had left New Zealand.

Derogations are being withdrawn and, from 1 March 2004, Customs will not issue a delivery order allowing goods to be loaded for export until an entry has been lodged and cleared.

We are, however, varying the current requirement that entries must be lodged 48 hours in advance of shipment.

Our computer system is able to screen an electronic export entry and provide either a delivery order, or advice that examination is required, within 60 minutes. We can do this at any time, day or night.

However, if exporters lodge an entry less than 48 hours prior to loading for seafreight, or less than nine hours prior for airfreight, they take the risk that, if examination is required, the goods may not be cleared in time for the scheduled voyage or flight.

Becoming a Secure Exports Partner significantly reduces the likelihood of an exporter's goods requiring examination.

We recommend all exporters lodge their electronic export entry as soon as they have all the information. Remember that the information can move ahead of the goods.

* See Fact Sheet 6, available on Customs' website www.customs.govt.nz or from any Customs office, for more details.

INVITATION TO CONSIDER SECURE EXPORTS PARTNERSHIP

In order to enhance assurance over the security of New Zealand exports, Customs is inviting your business to participate in a scheme known as the Secure Exports Partnership.

Our objective is to work with individual businesses to maintain New Zealand's reputation as a safe and secure trading partner.

The Secure Exports Partnership scheme is voluntary.

If you become a Secure Exports Partner, you will be making a firm commitment that you have measures in place to protect against tampering, sabotage or smuggling, from the point of packing to delivery to a site for export loading. As a Secure Exports Partner, when you seal your container or other package with a Customs-approved seal, you are making a commitment that what is in the container is what you have reported to us, and nothing else.

As a Secure Exports Partner you will provide Customs with an increased level of assurance over exports and that means you will generally require less Customs intervention in your export activities.

Customs' approach is outcome-based, rather than prescriptive. We are aware that every business is unique and needs different measures to achieve the outcome of securing its goods.

Our approach is to have you, the exporter, demonstrate to us what you are doing to secure your export goods. We will then discuss with you where that's acceptable and where improvements may be needed.

We know that you will be taking security measures to protect your property and your goods. Exporters in the primary produce sector already meet standards required by MAF and NZFSA. Where possible, we will recognise existing measures. We are developing a formal agreement with MAF and NZFSA.

The legal basis for the Secure Exports Partnership scheme is contained in the Border Security Bill, currently before Parliament. The bill will amend the Customs and Excise Act 1996.

When this legislation is passed, in the first part of 2004, we will be able to sign formal Secure Exports Partnership Agreements.

SECURE EXPORTS PARTNERSHIPS IN PRINCIPLE

Framework

The Border Security Bill, currently before Parliament, provides the framework for the operation of the Secure Exports Partnership scheme.

The following principles will underpin all Secure Exports Partnerships:

- Partnership will be voluntary.
- There will be a standard Secure Exports Partnership process for all businesses that participate in the supply chain.
- The Government will seek to minimise red tape and compliance costs wherever possible.
- Every business that applies to join the Secure Exports Partnership scheme will have an individual agreement with the Government, represented by Customs.
- Every individual agreement will be developed cooperatively to acknowledge the individual circumstances of the business, while maintaining security assurances.
- Participation in the Secure Exports Partnership scheme will be formalised in a client agreement supported by a Security Plan developed by the business.
- The Security Plan will meet Customs guidelines for security (see page 17) and will incorporate existing security and safety standards.
- In the primary sector all parties recognise that the NZFSA and MAF administer food safety standards.

The Secure Exports Partnership scheme is aligned with the US C-TPAT guidelines and is consistent with World Customs Organisation guidelines for increased supply chain security to facilitate the flow of international trade.

What do we mean by security?

Customs defines security as protecting legitimate cargo against tampering, sabotage, smuggling and other transnational crime.

Customs proposes to provide security assurance over exports and cargo moving from and through New Zealand to meet the expectations of New Zealanders and our international trading partners.

Customs defines security assurance as:

- Approved security arrangements pertaining to procedures, documents, premises, people and transport to protect against sabotage, tampering or smuggling.
- The electronic lodgement of information about all export consignments prior to loading.
- Accurate information on the contents of all consignments to allow for risk assessment.

Advantages for exporters

Trade is the lifeblood of the New Zealand economy. Your trade is an important component of that.

Customs wants to work actively with you to maintain the smooth flow of your trade across the New Zealand border. By becoming a Secure Exports Partner you minimise the likelihood of Customs intervention in your export activities, both in New Zealand and on the wharves of our trading partners.

Being a Secure Exports Partner will also show your business contacts that you are a responsible corporate citizen.

Advantages for New Zealand

New Zealand has a reputation as a safe and secure trading partner. That reputation is an important advantage to all New Zealanders. Being seen internationally to take security seriously will reduce the likelihood of those with evil intent seeking to use this country as a staging post.

New Zealand will be contributing to creating a more secure international environment.

Responsibilities

Exporter responsibilities

Entering a Secure Exports Partnership means exporters are responsible for securing their operations and for monitoring and maintaining an agreed level of security.

Customs responsibilities

Customs is responsible for:

- Providing advice on security requirements.
- Monitoring compliance with the agreed level of security.
- Providing security assurance to trading partners.

Risk awareness

Entering a Secure Exports Partnership requires exporters to have a greater awareness of risk.

Partners will be encouraged to report any suspicious activity to Customs. Information on indicators of suspicious activity is available in Appendix 2.

SECURE EXPORTS PARTNERSHIPS IN ACTION

How to participate

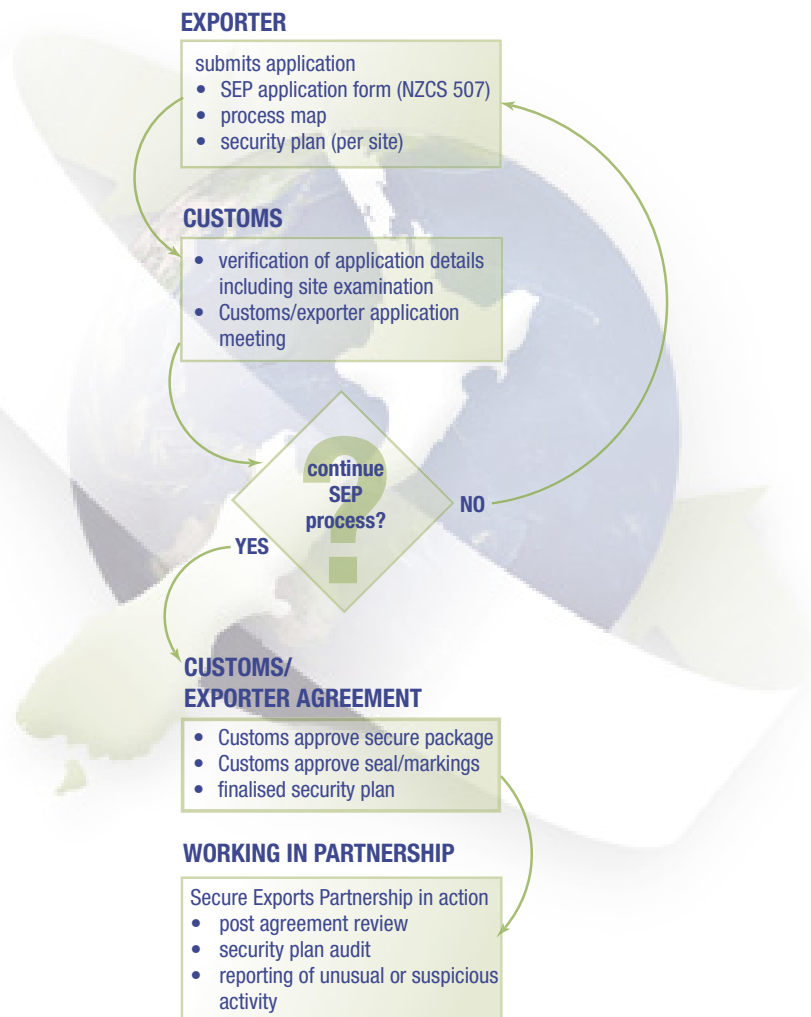
Any exporters who would like to be part of securing New Zealand's export trade and who believe they can meet the requirements outlined in this booklet can apply to join the Secure Exports Partnership scheme.

In the year ending June 2003, some 13,000 New Zealand exporters exported cargo with a total value of \$31 billion.

Customs' goal is to have 80 percent of exports covered by Secure Exports Partnerships by June 2005.

Initially, Customs will give priority to applications from exporters shipping to the US in seafreight containers.

Over time, we will consider applications from exporters shipping to all other destinations, and in all forms including LCLs, bulk cargo and airfreight.



Process map

Customs needs to be able to see what steps you take as you pack and dispatch your products, and how your information collection and documentation is integrated into that. For this, we will need a process map from you.

Security plan

The Security Plan that will be a key part of the Secure Exports Partnership scheme is designed to demonstrate that you take security seriously and have appropriate security measures in place.

The plan will need to cover:

- Procedural security – knowledge of what is packed for export, supported by procedures to protect against the introduction of unmanifested goods.
- Document security – both electronic and manual information is valid and protected against the loss of data or the introduction of erroneous information.
- Physical security – buildings and sites where export goods are packed and stored are resistant to unauthorised entry.
- Access controls – unauthorised access is prohibited.
- Personnel security – maintaining assurance over the integrity of personnel in sensitive positions.
- Education and training – ongoing communication of security policies and standards.
- Other government agency requirements – processes and procedures that may contribute to a secure supply chain.
- Conveyance and handling security – maintaining assurance over goods to the point of loading for export.

Customs recognises that every business is different. You will no doubt have security measures in place, and may already have a Security Plan and policy. This plan may include a lot of detail, it may include random checks and monitoring, or it may be very high level.

We know many primary produce exporters already have procedures in place to meet food safety requirements. Where appropriate, these will be recognised as contributing to security.

Customs needs to be able to have confidence your premises are secure, and that you are monitoring and maintaining that security. We will not dictate exactly how you do that. To assist your thinking, we have provided some guidelines (Appendix 1). These are not requirements that you must deliver, but suggestions of things you may want to think about if they are not already covered by your existing security arrangements.

Client agreements

The Client Agreement encompasses the Secure Exports Partner's Security Plan and documents any additional responsibilities of either party. It will include:

- Communications arrangements.
- Specifics of the secure package and seals or markings.
- Other terms as applicable to individual exporters.

The Client Agreement will be drawn up by Customs in discussion with the exporter and signed by both parties.

Seals

A critical element in providing assurance over the security of cargoes as they move through the supply chain is the sealing of the consignment.

Sealing is primarily designed to act as a tamper indicating device.

This sealing can potentially occur in many ways, in addition to the conventional concept of a bolt seal on the door of a sea container. For example, shrink wrapping of packages or tamper-indicating tape carrying particular markings can demonstrate that a package is intrinsically secure and has not been tampered with.

In the context of the Secure Exports Partnership, there will be a requirement for consignments to be sealed with a seal or markings that have been approved by Customs.

The Customs-approved seal or markings signifies that the consignment is shipped by a Secure Exports Partner, and that the contents are known to Customs, have been risk assessed and are intrinsically secure. The seal or markings should also show that the consignment is subject to Customs regulatory control during its movement through the supply chain.

The absolute minimum requirements will be that it must act as a tamper-indicating device and provide a unique identifier.

The detail of what form of seal is used, how it is applied and security controls over seals, will be set out in the Secure Export Partnership Client Agreement.

New technology

Customs has been working with pilot partners to investigate and develop remote-readable (RFID) seals. This technology is still being tested and developed, taking into account factors such as cost and practicality.

Over time Customs sees significant cost savings and benefits to facilitate trade in a seal that can be electronically read from a distance, with the information automatically fed into a coordinated IT environment.

Customs will move to introduce this technology once it is proven to be effective in an operational environment.

Audit

Customs will confirm security assurance by audit processes. These audits will verify that exports made by Secure Exports Partners provide the highest level of supply chain security assurance against terrorism and other criminal activity.

The objectives of these audits will be met by:

- Verifying supply chain security by examination of the measures, features and controls documented in the Secure Exports Partner's Security Plan.
- Ensuring compliance with all relevant legislation and agency requirements.
- Ensuring that the partner is following all procedures required in the Client Agreement.
- Ensuring the integrity of the Export Entry and any and all other relevant Customs declarations.



Secure Exports Partners whose assurance is sustained through the audit processes will be given permission to imprint a form of Customs' assurance logo on commercial consignment documentation.

Customs Export Audit regime is still being developed. Customs is aware primary produce exports are subject to audit by other agencies and is working with those agencies to avoid duplication.

Withdrawal

Either party may withdraw from a Secure Exports Partnership at any time.

Revocation

Customs may revoke a partnership agreement if:

- The partner is not fulfilling the conditions agreed to in the Client Agreement or the Security Plan.
- The integrity of information supplied on Export Entries or any or all other Customs declarations is unacceptable.
- Circumstances have changed to the extent that is determined that continuation of the partnership would no longer mitigate risk to the company's cargo; there is misuse of any privileges extended by Customs to the partner as a Secure Exports Partner.
- Customs is denied permission or suitable access to audit the partnership agreement.

If there is significant change to the partner's company structure, business or location, the Secure Exports Partnership will be revoked and a fresh application will be necessary.

Renewal

Partnerships will be subject to renewal at a date specified in the Client Agreement.

Fees

There are no fees involved in becoming a Secure Exports Partner.

The Government is, however, proposing to introduce a security fee for all imports, transhipments and exports. This fee is currently proposed to be collected from carriers. Industry representatives are being consulted on developing a fee structure that is fair, effective and efficient. The current target date for implementation of the fee is July 2004.

SECURE EXPORTS PARTNERSHIP SUPPLY CHAIN

A commitment to ensure that only those goods declared on the export entry (or other relevant Customs declaration) are packed and loaded for export.



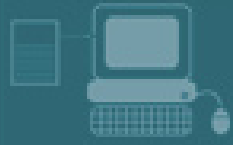
EXPORT GOODS SELECTED

- Export goods are protected from sabotage, tampering and substitution.
- Site is resistant to unauthorised entry with access controls in place.



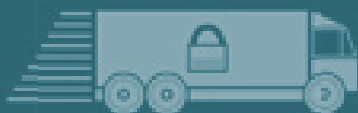
EXPORT GOODS PACKED

- Quality assurance procedures and controls are applied.
- Container/Package is sealed with a Customs approved seal or markings with all details of the export goods seal/markings recorded.



EXPORT DOCUMENTATION COMPLETED

- Export declaration accurately details the export goods.
- Export declaration is sent to Customs electronically.



**EXPORT PACKAGE
TRANSPORTED SECURELY**

**EXPORT PACKAGE
CHECKED**

**EXPORT PACKAGE
LOADED**

- Seals and markings checked at transfer points.
- Transport operators and other contractors have approved processes for handling goods.

- Seal/Markings checked.
- Package intact.

- Package cleared and a Customs delivery order issued.
- No Customs delivery order, no load.

APPLICATION PROCESS

Applying to become a Secure Exports Partner

Your application should be supported, for each site, by:

- A map of your process for packing and shipping goods and the integrated process for completing your documentation.
- A Security Plan.

Customs will process your application. Provided there are no immediate reasons for your non-admittance as a Secure Exports Partner, Customs will contact you to discuss the requirements of the scheme.

Application is to be made on form NZCS507. The complete form is shown on page 30 - you may photocopy and use this. Further forms are available from your nearest Customs office or via the library on Customs' website www.customs.govt.nz

Applications should be sent to your nearest Customs office or FrontLine officer.

(Appendix 7) NZCS 507

Application for SECURE EXPORTS PARTNERSHIP

 To: Maori Aotahi o Aotearoa

Name of applicant: _____
Customs client code/s (if applicable): _____
Company registration number (where applicable): _____ Fax number: _____
Contact person and designation: _____
Phone number: _____
E-mail address: _____
Postal Address: _____
Company key personnel: _____

Exporters to complete the following information:

I. List the number of sites where your goods are packed/handled/loaded which are under the control of the exporter:

II. List the number of sites where your goods are packed/handled/loaded which are under the control of a third party:

III. List any customs brokers utilised for export entry completion:

IV. Mode/s of transport (specify mail, airfreight, seafreight):

V. For exports by sea, specify package type/s e.g. container, bulk or other:

Applications should be lodged with your nearest Customs office, accompanied by a security plan and process map. For applicants with multiple sites, one application will suffice but a security plan for each site should be attached to the application form along with a process map. For further information about the Secure Exports Partnership, refer to the New Zealand Customs Service website www.customs.govt.nz

SECURE EXPORTS PARTNERSHIPS IN DETAIL

APPENDIX 1 – SECURITY PLAN INFORMATION

The following information is provided to assist you in developing a Security Plan, if you do not already have one.

The examples provided are to guide you as to the sort of information Customs will require. Applicants do not have to do everything listed in the examples. Customs recognises that every business is different. It will not apply pre-determined criteria, but will assess each Security Plan individually.

PROCEDURAL SECURITY – knowledge of what is packed for export, supported by procedures to protect against the introduction of unmanifested goods.

1. Accuracy

List your controls or quality assurance procedures used to ensure that goods are properly marked, weighed, counted and subsequently documented in packing lists, invoices, shipping and Customs documentation.

For example:

- Arrangements for supervising packing.
- Documentation is checked prior to package being sealed.

2. Seals (if applicable) or other markings

If you currently apply seals to your containers, describe the seals and list any security controls relating to seals. This will include both access controls and document controls for recording the use of seals.

For example:

- Seals are kept in a locked cabinet. Only warehouse supervisors and management personnel have keys to the cabinet.
- A register is kept of seals received and issued. The register documents the seal type and number, when the seal was received, when it was removed and to which container it was allocated.

If you do not currently use seals, Customs expects that the package will be sealed or marked in some way that will indicate if it has been tampered with.

3. Reporting anomalies or suspicions

List your reporting procedures for when anomalies or illegal activities are detected or suspected. Include any specific forms used for this purpose.

For example:

- All staff are instructed to report anomalies or suspicions to their supervisor or manager via an incident report.
- The supervisor or manager has responsibility to investigate further and/or to contact appropriate enforcement agencies such as Customs or the Police.

4. Container storage (if applicable)

List your controls designed to prevent unauthorised access to containers or other packages.

For example:

- All empty containers are received directly into a warehouse/secure area/yard.
- Any containers partly packed at close of business have a chain and padlock applied to restrict access.
- Once packing of the container is complete the doors are bolted and a seal is applied.
- Packed containers not immediately transported for export are stored in the yard and their seals are checked at the start and close of business to ensure security is maintained.
- Packages other than containers ready for export are stored in a locked secure area.

DOCUMENT SECURITY – both electronic and manual information is valid and protected against the loss of data or the introduction of erroneous information.

List your procedures that ensure that information stated on export entries, any or all other Customs declarations, and other documentation is accurate and cannot be tampered with.

For example:

- Staff are trained in how to source the correct information and transfer this to the documents.
- All documents bearing your logo/brand are stored securely.
- Staff are not permitted to remove documents or files from the office without permission.
- Access to the computer is controlled by password and there is an auto-prompt to change the password on a monthly basis.
- A log is maintained of who has accessed the computer and when. This log is reviewed by the security officer to identify any unusual or out-of-hours activity.

PHYSICAL SECURITY – buildings and sites where export goods are packed and stored are resistant to unauthorised entry.

1. Perimeter controls

List your perimeter controls for sites and buildings.

For example:

- Provide details of perimeter fencing, or
- Provide details of monitoring of the perimeter, such as patrols, when exports are being packed.

2. Locking devices

Record how your site is locked, including controls for access outside business hours.

For example:

- An electronic key system is used, programmed to permit various levels of access.
- Access to areas outside business hours is via electronic keys.
- Ground floor windows cannot be opened.

3. Lighting

List any internal and external security lighting facilities by site area.

For example:

- A night light in the main entrance way to the office accommodation remains on at all times.
- The car parking area has motion-sensor lights.
- The yard has low-level lighting, operated on a time-control mechanism to activate during hours of darkness.

4. Cargo segregation

List segregation/separation of international, domestic and dangerous goods within the site.

For example:

- Dangerous goods are stored in a cage at the rear of the warehouse.
- Goods for the international market are branded differently and are packed into cartons marked as export quality.
- High value or “attractive” items are stored in a separate part of the warehouse and access to these goods is restricted.

5. Vehicle access

List measures to keep private vehicles separate from cargo unloading, handling, packing and loading areas, and to control transport operators during collection/delivery.

For example:

- No facilities are provided for private vehicle parking.
- There are facilities for visitor vehicle parking immediately adjacent to the reception area.
- All cargo handling is completed in the warehouse at the rear of the building.
- Transport operators are unable to access cargo holding areas without supervision.
- Transport operators are monitored from arrival at the premises.

6. Any additional security features

List any additional security features.

For example:

- CCTV operates in the warehouse area.
- The buildings are fitted with alarms and are monitored by a private security company.
- A night watchman is employed.

ACCESS CONTROLS – unauthorised access is prohibited.

1. Employees

List your employee security requirements.

For example:

- All staff are required to wear photo identity cards.
- A key register is maintained and staff are required to report lost keys promptly.
- Staff are instructed to challenge employees found in areas to which they do not require access.

2. Site visitors

List any visitor requirements. Site visitors include contractors, employee family and friends, transport operators and sales representatives.

For example:

- Visitors are required to report to reception and complete a visitors' book.
- Reception confirms that contractor identification is current.
- All staff are instructed to challenge any unknown visitors to the premises if visitor identity cards are not being worn.

PERSONNEL SECURITY – maintaining assurance over the integrity of personnel in sensitive positions.

Identify sensitive positions where the role requires personnel to be directly involved with packing or shipping export cargo or completing documentation.

For example:

- Policy that lists pre-employment and ongoing procedures to maintain personnel integrity.
- Reference checks for contractors.
- Employer identification (ID) procedures.
- All container packing is supervised or CCTV records all container packing, with tapes retained for three months.

EDUCATION AND TRAINING – ongoing communication of security policies and standards.

List education or training provided to employees or site visitors to ensure they understand security requirements and are alert to potential risk.

For example:

- All employees participate in security awareness and training programs.
- Formal process for individuals or employees to report suspicious activities.
- Information from Customs distributed via staff notice board.

OTHER GOVERNMENT AGENCY REQUIREMENTS – processes and procedures that may contribute to a secure supply chain.

List any other government agency requirements or standards that contribute to supply chain security.

For example:

- To comply with OSH requirements we maintain a log of all contractors working on site.
- MAF/NZFSA accreditation details.

CONVEYANCE AND HANDLING SECURITY – maintaining assurance over goods to the point of loading for export.

Give details of your agreement with transport contractors or any other contractors who physically handle your export goods.

For example:

Transport operators may be required to:

- Ensure the seal number and container number (where applicable) are correctly recorded on the consignment note or similar document.
- Ensure the seal is intact when the goods are collected.
- Ensure the seal is intact when the goods are delivered or handed to another carrier and this is recorded.
- Report to the client any incidences where the seal is no longer intact or has been replaced in transit.
- Report to the client any incidences where packages appear to have been interfered or tampered with.
- Monitor the whereabouts of goods at all times.

APPENDIX 2 – INDICATORS OF SUSPICIOUS ACTIVITY

Becoming a Secure Exports Partner includes raising awareness of potential risks.

Customs will provide every assistance to you if you have security concerns. Please do not hesitate to contact Customs to report any suspicions. Customs can only provide the highest level of security assurance against threats of terrorism and other criminal activity with the close cooperation of Secure Exports Partners and other supply chain participants.

Indicators of potentially suspicious trade or activity

The Customer

1. Does the customer actually exist?
 - Checks should be made to ensure that new customers are legitimate traders and not fictitious companies.
2. If it is a relatively new customer, do they have sporadic or illogical trade patterns?
 - For example, do they order large shipments of goods without requesting samples or trade catalogues first?
3. Does the customer appear to be a new company or a one-off client with very specific requirements or time-frames?
4. Is the customer showing concern about avoiding the interest of Customs?
 - For example, has the customer asked you to use generic descriptions on your documentation?
5. Is the customer or purchasing agent reluctant to offer information about the end use of the item?
6. Does the customer have little or no business background?
7. Does the customer provide a PO Box or a mail handling company as their company address?
8. Does the customer provide only mobile phone numbers as contact phone details?
9. Does the customer constantly change their purchasing agents and freight forwarders?
10. Does the customer decline routine installation, training or maintenance services?

The Goods

1. Has the shipment been prepaid or paid for in cash?
2. Is there no apparent connection between the goods the customer has ordered and their business?
 - For example, a pharmaceutical company ordering electronic components.
3. Has there been a sudden change in the goods ordered by the customer?
4. Are the goods incompatible with their stated destination?
 - For example, electrical goods operating at 120 volts being sent to a country with a standard of 220 volts.
5. Do the goods' capabilities not fit the customer's line of business?
 - For example, a bakery requesting sophisticated computer equipment.
6. Is the item incompatible with the technical level of the country to which it is being shipped?
 - For example, semiconductor equipment being shipped to a country with no electronics industry.
7. Is the customer unfamiliar with the product's performance characteristics but still wants to purchase it?
8. Is the quantity of goods illogical – ie, excessive or inadequate?

Delivery

1. Are the delivery dates vague or are deliveries planned for out-of-the-way destinations?
2. Is a freight-forwarding firm listed as the final destination for the goods?
3. Is the shipping route abnormal for the goods and destination?
4. Is packaging inconsistent with the stated method of shipment or destination?
5. When questioned, is the customer evasive and unclear about whether the goods are for domestic use, for export or for re-export?

Goods of Interest

A full list of strategic goods is available from the Disarmament Division of the New Zealand Ministry of Foreign Affairs and Trade - www.mfat.govt.nz The pathway to the list of controlled goods is Foreign and Trade Policy/Disarmament/NZ strategic goods list/Index of controlled items.

The list includes:

- Munitions – firearms, parts and accessories of firearms and ammunition.
- Nuclear materials, facilities, and equipment.
- Chemicals, micro-organisms and toxins.
- Electronics (high level).
- Computers (excluding personal computers readily available to the public).
- Telecommunications components and equipment.
- Sensors and lasers.
- Navigation and avionics.
- Marine systems equipment and components.
- Propulsion systems and related equipment.

Other Trade Prohibitions and Restrictions

There are a number of other export prohibitions and restrictions that may apply to goods for export. For further information, please refer to the following Fact Sheets available from the library section of Customs' website www.customs.govt.nz or by contacting your nearest Customs office.

Fact Sheet Number 2 – United Nations Import and Export Sanctions

Fact Sheet Number 4 – Export Prohibitions and Restrictions

Fact Sheet Number 5 – Import Prohibitions and Restrictions

Fact Sheet Number 9 – Permits to Import – Alerts

Fact Sheet Number 10 – Permits to Export – Alerts



COPYRIGHT AND TRADE MARK GOODS

DRUGS

PROHIBITED WEAPONS

ANTIQUITIES

APPENDIX 3 – CHECK LIST

This guide is to help you ensure you are meeting the objectives of the Secure Exports Partnership. It is not a formal part of the application process.

Security objective	Exporter – I am confident I have measures in place to meet this objective.	Customs – Measures in place adequately meet this objective.
Procedural security – knowledge of what is packed for export, supported by procedures to protect against the introduction of unmanifested goods.		
Document security – both electronic and manual information is valid and protected against the loss of data or the introduction of erroneous information.		
Physical security – buildings and sites where export goods are packed and stored are resistant to unauthorised entry.		
Access controls – unauthorized access is prohibited.		
Personnel security – maintaining assurance over the integrity of personnel in sensitive positions.		
Education and training – ongoing communication of security policies and standards.		
Other government agency requirements – processes and procedures that may contribute to a secure supply chain.		
Conveyance and handling security – maintaining assurance over goods to the point of loading for export.		

APPENDIX 4 – LEGISLATION

The Customs & Excise Act 1996 empowers Customs to control the cross-border movement of all goods, people and craft. Clearance for entry to, or exit from, New Zealand is dependent on compliance with its laws.

Existing legislation requires the timely submission of prescribed data relating to all border movements. All cross-border movements must take place at a Customs place at which Customs has the power to question people and conduct examinations to eliminate risk. Non-compliance with New Zealand's laws can result in the detention and, if necessary, seizure of goods.

In response to increased international expectations, the New Zealand Government has amended and is further amending a number of Acts to enhance security in a range of areas, including border security.

Proposed amendments to the Customs & Excise Act 1996 are contained in the Border Security Bill.

The proposed amendments to Customs legislation will enhance data management and will widen the scope for exporters to contribute to New Zealand's security assurance. The new powers will give Customs electronic access to commercial information held by participants in the export supply chain.

The Border Security Bill, which is expected to be passed in the first part of 2004, provides Customs with two mechanisms for managing the assurance of security within the export supply chain from the time of packing through to the port of loading in New Zealand. These are the Secure Exports Partnership scheme and the use of a Customs-approved seal for scheme participants.

The proposed legislation sits alongside regulatory controls administered by other government agencies.

Conditions of approval set out in a formalised Client Agreement will be flexible between the Secure Exports Partner and Customs. This will ensure that current business systems and practices that already deliver satisfactory levels of security assurance are acknowledged.

Such systems or practices could exist because of other regulatory requirements or as a result of commercial imperatives.

APPENDIX 5 – CONTACTS

Customs' callfree number 0800 4 CUSTOMS or 0800 428 786.

E-mail feedback@customs.govt.nz

Customs' website www.customs.govt.nz

Your Customs FrontLine officer at any of the following offices:

Auckland

Customhouse, 50 Anzac Avenue, or Reef House, 76 Anzac Avenue, Box 29, Auckland
Phone: 0-9-359 6655, Fax: 0-9-359 6730

Christchurch

Customhouse, 6 Orchard Road, Box 14 086, Christchurch
Phone: 0-3-358 0600, Fax: 0-3-358 0606

Dunedin

The Customhouse, 32 Portsmouth Drive, Private Bag 1928, Dunedin
Phone: 0-3-477 9251, Fax: 0-3-477 6773

Invercargill

Business Centre, Ground Floor, Menzies Building, 1 Esk Street, Box 840, Invercargill.
Phone: 0-3-218 7329, Fax: 0-3-218 7328

Napier

Dunvegan House, 215 Hastings Street, Box 440, Napier
Phone: 0-6-835 5799, Fax: 0-6-835 1298

Nelson

10 Low Street, Box 66, Nelson
Phone: 0-3-548 1484, Fax: 0-3-546 9381.

New Plymouth

54–56 Currie Street, Box 136, New Plymouth
Phone: 0-6-758 5721, Fax: 0-6-758 1441

Tauranga

Nikau House, 27–33 Nikau Crescent, Box 5014, Mt Maunganui
Phone: 0-7-575 9699, Fax: 0-7-575 0522.

Wellington

The Customhouse, 17–21 Whitmore Street, Box 2218, Wellington
Phone: 0-4-473 6099, Fax: 0-4-473 7370



APPENDIX 6 – GLOSSARY

Client Code

New Zealand Customs Service identification number for an individual business or entity.

Comptroller

Customs-specific title for the Chief Executive Officer of the New Zealand Customs Service.

Customs Delivery Order

A message from the New Zealand Customs Service giving permission for export goods to be loaded for shipment.

EDI

Electronic Data Interchange, a system for direct electronic exchange of messages between the computer systems of an individual business and the New Zealand Customs Service.

Customs Declaration

A prescribed declaration to the New Zealand Customs Service about an export consignment covering contents, transportation, ownership and other information.

Export Entry

Form of Customs declaration, submitted electronically.

FrontLine

FrontLine is a business partnership programme aimed at linking the New Zealand Customs Service and business in partnerships in trade, community development, and enforcement. Customs FrontLine officers are available in all ports to provide assistance to individual businesses as required.

PIN Number

A unique user identifier issued by the New Zealand Customs Service to registered systems users lodging entries electronically. The PIN is equivalent to an electronic signature.

Transnational Crime

An offence committed by the importation or export of goods/material across the border under any regulatory framework. Transnational crime is considered “serious” where the offending affects the legitimate interests of New Zealand, and includes: goods that may have a military application; chemical, nuclear or biological weapons, or goods that may be used in the manufacture of such weapons; import/export that breaches UN sanctions; trafficking of class A or B drugs for supply; objectionable material, including child pornography and material promoting acts of terrorism; trafficking in wildlife; and revenue evasion.

Supply Chain

The continuous linking of activities that take place for the systematic movement of goods from the place of origin to the place of final destination.

FCL

Full container load.

LCL

Less than a container load.

CCTV

Closed circuit television system (used in monitoring).





Te Mana Arai o Aotearoa

Application for SECURE EXPORTS PARTNERSHIP

Name of applicant:

Customs client code/s (if applicable):

Company registration number (where applicable):

Contact person and designation:

Phone number: Fax number:

E-mail address:

Postal Address:

Company key personnel:

Exporters to complete the following information:

- I. List the number of sites where your goods are packed/handled/loaded which are under the control of the exporter:
.....
.....
.....
 - II. List the number of sites where your goods are packed/handled/loaded which are under the control of a third party:
.....
.....
.....
 - III. List any customs brokers utilised for export entry completion:
.....
 - IV. Mode/s of transport (specify mail, airfreight, seafreight):
.....
 - V. For exports by sea, specify package type/s e.g. container, bulk or other:
.....
-

Applications should be lodged with your nearest Customs office, accompanied by a security plan and process map. For applicants with multiple sites, one application will suffice but a security plan for each site should be attached to the application form along with a process map. For further information about the Secure Exports Partnership, refer to the New Zealand Customs Service website www.customs.govt.nz



Te Mana Arai o Aotearoa