# AOIC | VTTI Terminals II B.V.

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# Document governance, purpose and scope

This AOIC describes the administrative organisation and measures of internal control of the customs and excise aspects of the terminal operations of VTTI Terminals II B.V.

The AOIC describes:

- The terminal operations;
- The customs and excise concepts relevant in the context of these operations;
- The processes implemented for properly determining and maintaining customs data elements;
- Safety and security aspects;
- The customer governance setup (i.e., customer screening, onboarding, monitoring);
- The control framework, consisting of the combination of procedures, systems and measures implemented to keep the terminal operations up with AEO-standards;
- Internal control (i.e., the controls implemented to monitor compliance).

The CGT team is responsible for the content and maintenance of this document. Any updates to the document are reviewed and processed by CGT. CGT applies the four-eyes principle to all document updates, meaning that any proposed changes are reviewed by another member of the CGT team before a new version is released.

CGT monitors business and legal developments that may require updates to the AOIC and implements such updates where appropriate. In addition, CGT conducts a comprehensive review of the AOIC on an annual basis to ensure that it remains accurate and up to date.

This AOIC serves as the overarching document and refers to supporting procedures and work instructions that describe specific topics in greater detail and provide practical guidance where applicable.

# Definitions, abbreviations and acronyms

| | |
|---|---|
| AO/IC | Document describing the Administrative Organization and Measures of Internal Control. Which is this document itself |
| BzCtrl. | Cloud based control tool to perform business controls in a structured and efficient manner |
| CS | Customer Services team |
| ERP | Enterprise Resource Planning system (Tomcat rebranded and upgraded to ATLAS) |
| GT&Cs | General Terms and Conditions |
| HQ | Headquarters |
| OPS | Operations team |
| QOL | Quality Online |
| C&E | Customs and excise |
| EU | Customs territory of the EU |
| HS | Harmonised System, the global framework for commodity codes |
| CN | Combined Nomenclature, the EU implementation of the HS |
| CMS | Customs Management System - software module with automated business rules, linked via an interface with ERP. Used for customs declaration purposes |
| HSE | Health, Safety and Environment |
| CGT | HQ Customs and Global Trade team |

> The orange colored callouts in this document refer to a specific compliance risk. Each risk identified is included in VTTI's Risk Register in BzCtrl. The risk register shows which measures have been implemented to mitigate the respective risk.

> The blue colored callouts in this document refer to a procedure or other document that covers the relevant topic in more detail.

# Introduction

VTTI is a global company operating in the energy storage sector. It manages and operates terminals for the storage and handling of bulk liquids. Its activities support the storage, distribution, and logistics of these products across international markets. VTTI owns energy storage terminals in EMEA, America's and the APAC region.

VTTI Terminals II B.V. is an intermediate holding entity within the VTTI group and holds the shares in various operational entities that operate terminal facilities.

> Statutory relations are included here

VTTI Terminals II B.V. holds the authorisations and maintains the compliance framework for the following terminals:

**Euro Tank Terminal (ETT)**
Moezelweg 151
3198LS Europoort Rotterdam
The Netherlands

**Eurotank Amsterdam (ETA)**
Jan van Riebeeckhavenweg 9
1041 AD Amsterdam
The Netherlands

All other operational terminal entities maintain their own customs and excise authorisations, as well as their own customs compliance frameworks and have their own AO/IC.

The only exception concerns the customs warehouse at the following terminal:

**VTT Vasiliko (VTTV)**
Vasilikos Energy Centre
75 Mari
Larnaca 7736
Cyprus

This location falls within the scope of the cross-border customs warehouse authorisation held by VTTI Terminals II B.V. Even though VTTV maintains its own customs and excise authorisations, the authorisation of its customs warehouse is held by VTTI Terminals II B.V.

More details on how the C&E function for terminal services is organized from a group perspective is included here

# Terminal operating model and goods flows

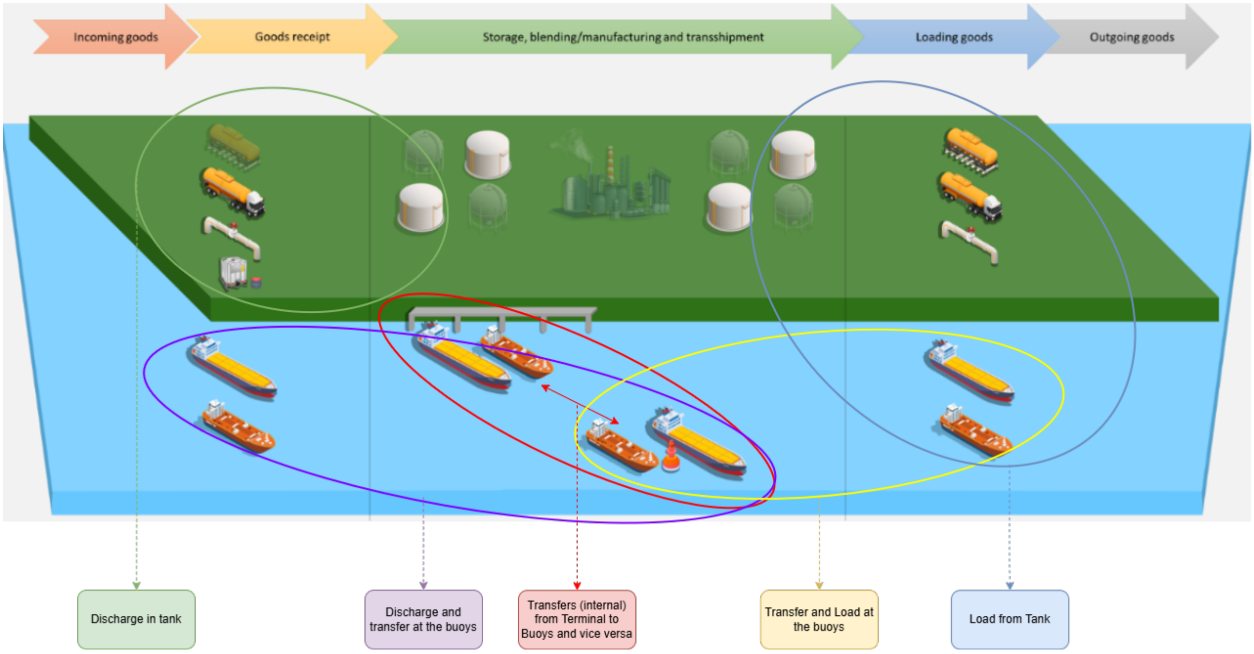
# Operations

From an operational and logistical perspective, the physical terminal process consists of the following steps:

1. Arrival of incoming product at the terminal by a Mode of Transport (i.e. vessel, barge, truck, rail, or pipeline);
2. Receipt of the product and transfer between the mode of transport and the storage tank;
3. Storage of the product and, where applicable, blending, tank-to-tank transfers, or other limited handling operations;
4. Loading of the product from the storage tank to the designated mode of transport for onward shipment;
5. Dispatch of outgoing product from the terminal.

Each of these operational steps is, in principle, initiated by VTTI's customer, who owns the product, through a nomination instruction.

VTTI's customers operate in global supply chains. Consequently, the origin, customs status, and provenance of the products handled by VTTI may vary considerably, as do the countries of destination to which the products are dispatched.



# Product scope

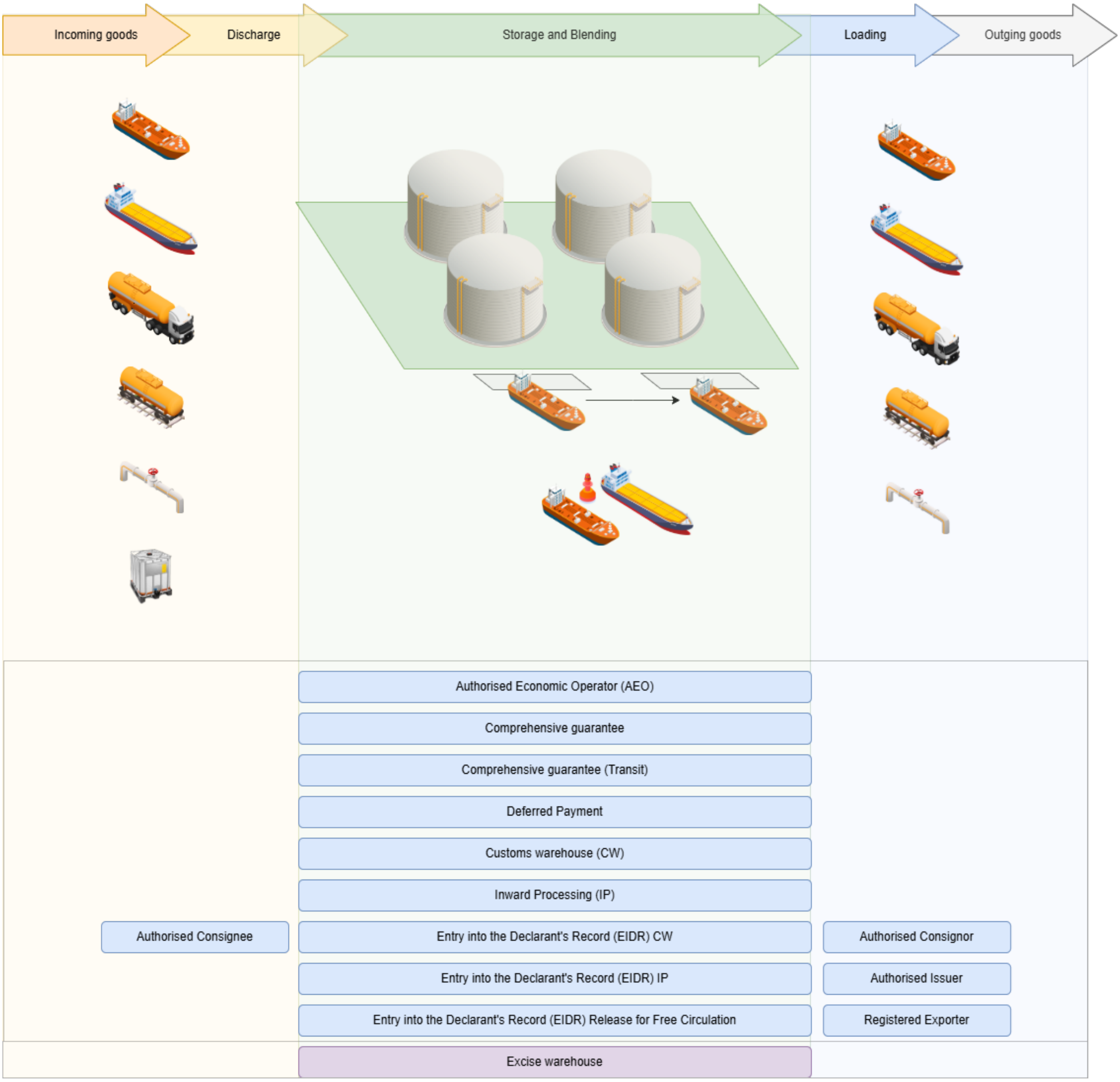
The goods handled at the terminals comprise petroleum products, chemicals, and other energy-related commodities. These goods are generally classified under Chapters 22, 27, 29, and 38 of the Harmonized System (HS) and Combined Nomenclature (CN).

The goods originate from, and may be dispatched to, numerous countries both within and outside the EU. Depending on the supply chain and customer requirements, the goods may have different customs statuses and be subject to different customs procedures.

# Customs and excise

# Customs and Excise Authorisations

VTTI holds the following customs and excise authorisations to support its terminal operations and the associated customs and excise activities:



> Copies of the customs and excise authorisations are maintained in BzCtrl under the VTTI Terminals II B.V. section (Files → Customs and Excise Licenses).

All customs authorisations listed above apply to the operations of ETT and ETA. The Customs Warehousing authorisation has a broader, cross-border scope and also covers the relevant operations of VTTI in Cyprus. The customs warehousing activities and related records at these locations are administered under a single cross-border authorisation, in accordance with the applicable conditions, controls and administrative requirements.

The Customs Warehousing authorisation permits the use of equivalent goods. The use of equivalent goods is subject to the specific conditions and control measures set out in the authorisation.

> The practical application of equivalent goods, including the related control measures, is described in VTTI’s “Equivalent Goods” procedure.

> The customs and excise authorisations are crucial to the continuity of VTTI's terminal operations. Their scope determines which operations the terminals can and cannot execute (e.g. which products can be stored or blended). As such, VTTI has implemented measures to prevent non-compliance with authorisation requirements, activities outside the scope of the authorisations, and the unintended expiry of an authorisation.
> See Risk R-01 in the Risk Register.

# Customs procedures

## General principles

The customs and excise procedures applied at the terminals are aligned with the operational lifecycle of the goods involved. The operational processes are described in detail in the Operations section of this AO/IC. This chapter describes the customs and excise procedures governing the movement, storage, processing and dispatch of the goods.

Throughout the terminal process, goods may be subject to customs supervision, excise duty suspension or be in free circulation, depending on their customs and excise status. The initial customs and excise treatment is determined upon first arrival at the terminal and may subsequently change during the lifecycle of the goods as a result of storage, blending, manufacturing, transshipment, importation or dispatch activities.

The customs and excise procedures described in this chapter are performed under the authorisations described in the preceding Customs and Excise Authorisations section.

## Systems and User involvement

The administration and monitoring of customs and excise procedures is supported by an integrated process involving VTTI’s ERP System, its Customs Module and the relevant VTTI Users. Users register and maintain the operational activities and customs and excise-relevant data in the ERP System. Based on this information and predefined business rules, the Customs Module determines the applicable customs and excise treatment, performs compliance validations and initiates the required customs declarations, excise formalities and record-keeping actions.

Users review and follow up on the resulting system feedback, with Customs Specialists at the terminal or HQ providing support and specialist assessment where required by the nature or complexity of the transaction.

## Incoming goods and goods receipt

Upon arrival, goods may enter the terminal under coverage of a Transit document (T1) or an electronic Administrative Document (e-AD). Union goods that are not subject to excise control may arrive without such a document. Goods arriving directly from locations outside the European Union may also arrive without a preceding customs or excise movement document and will be subject to the appropriate customs formalities upon arrival.

During the goods receipt process, VTTI records the arrival of the goods and performs the customs and excise actions associated with the preceding movement procedure. This may include the discharge or closure of transit procedures or excise movements and the registration of the goods and their customs and excise status within the terminal administration.

## Storage and processing

Following receipt, the goods are assigned to the customs and excise treatment applicable to their status and intended storage and handling. Non-Union goods are generally placed under the Customs Warehousing procedure, Union goods subject to excise duty suspension are entered into the Excise Warehouse, and other Union goods are recorded in the Free Warehouse.

The terminal location is authorised as a customs warehouse, comprising of the complete infrastructure of tanks, pipelines, jetties and refinery. To optimize storage capacity and avoid disproportionate costs, accounting segregation is applied and non-Union and Union goods are commonly stored.

Non-Union goods may instead, or at a later stage, be released for free circulation. Following their release, the goods are entered into the Excise Warehouse or recorded in the Free Warehouse, depending on whether they are subject to excise duty suspension.

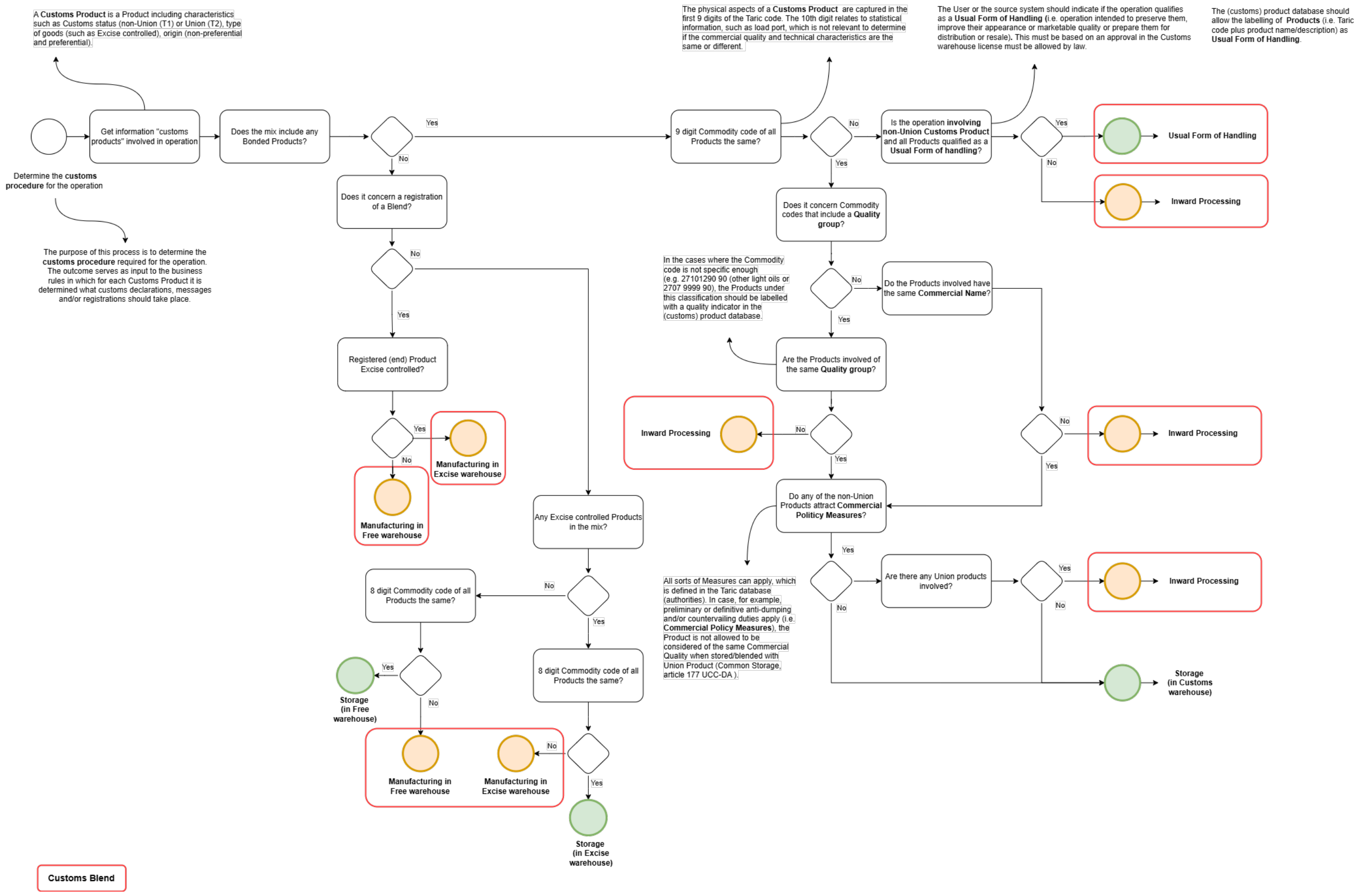
Where goods are blended, manufactured or otherwise processed, the applicable customs and excise treatment is determined based on the customs and excise status and technical characteristics of the goods involved, as well as the nature of the operation. Depending on the outcome of this assessment, the operation may be treated as storage, manufacturing in the Excise Warehouse or Free Warehouse, Usual Forms of Handling under the Customs Warehousing procedure, or Inward Processing.

## Outgoing goods

Upon dispatch from the terminal, goods may leave under excise duty suspension covered by an e-AD, under the transit procedure covered by a T1 document, under an export or re-export procedure, or as Union goods in free circulation, where applicable. The required customs declarations, excise messages and supporting records are generated and maintained in accordance with the applicable legal requirements and authorisations.

> The detailed functional and technical design of the ERP System and Customs Module, including the Parcel administration model, procedure determination logic, business rules and declaration processes, is described in Annex AO/IC ATLAS-CMS.

The flow chart below provides an overview of the customs and excise procedures that may apply throughout the lifecycle of goods handled at a VTTI terminal.


A **Customs Product** is a Product including characteristics such as Customs status (non-Union (T1) or Union (T2), type of goods (such as Excise controlled), origin (non-preferential and preferential).
Get information "customs products" involved in operation
Does the mix include any Bonded Products?
Yes
No
Determine the **customs procedure** for the operation
The purpose of this process is to determine the **customs procedure** required for the operation. The outcome serves as input to the business rules in which for each Customs Product it is determined what customs declarations, messages and/or registrations should take place.
Does it concern a registration of a Blend?
No
Yes
Registered (end) Product Excise controlled?
Yes
No
Manufacturing in Excise warehouse
Manufacturing in Free warehouse
Any Excise controlled Products in the mix?
No
Yes
8 digit Commodity code of all Products the same?
Yes
No
Storage (in Free warehouse)
8 digit Commodity code of all Products the same?
No
Yes
Manufacturing in Free warehouse
Manufacturing in Excise warehouse
Storage (in Excise warehouse)
The physical aspects of a **Customs Product** are captured in the first 9 digits of the Taric code. The 10th digit relates to statistical information, such as load port, which is not relevant to determine if the commercial quality and technical characteristics are the same or different.
The User or the source system should indicate if the operation qualifies as a **Usual Form of Handling (**i.e. operation intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale). This must be based on an approval in the Customs warehouse license must be allowed by law.
The (customs) product database should allow the labelling of **Products** (i.e. Taric code plus product name/description) as **Usual Form of Handling**.
9 digit Commodity code of all Products the same?
No
Yes
Is the operation **involving non-Union Customs Product** and all Products qualified as a **Usual Form of handling**?
Yes
No
Usual Form of Handling
Inward Processing
Does it concern Commodity codes that include a **Quality group**?
In the cases where the Commodity code is not specific enough (e.g. 27101290 90 (other light oils or 2707 9999 90), the Products under this classification should be labelled with a quality indicator in the (customs) product database.
No
Yes
Do the Products involved have the same **Commercial Name**?
Are the Products involved of the same **Quality group**?
Inward Processing
No
Yes
No
Yes
Inward Processing
Do any of the non-Union Products attract **Commercial Politicy Measures**?
All sorts of Measures can apply, which is defined in the Taric database (authorities). In case, for example, preliminary or definitive anti-dumping and/or countervailing duties apply (i.e. **Commercial Policy Measures**), the Product is not allowed to be considered of the same Commercial Quality when stored/blended with Union Product (Common Storage, article 177 UCC-DA ).
Yes
No
Are there any Union products involved?
Yes
No
Inward Processing
Storage (in Customs warehouse)
Customs Blend

Related work instructions to terminal activities are available in VTTI's quality management system QOL.

# Declaration process

**Nomination**
VTTI submits customs declarations solely upon instruction from the customer. These instructions are provided through a nomination. The customer is responsible for providing VTTI with all data and documents (information) required to lodge a complete, correct and timely filed customs declaration. Where appropriate, CS performs reasonableness checks on the information provided by the customer before using that information to prepare and submit the customs declaration.

**Entry in the Declarant's Records (EIDR)**
VTTI holds an Entry in the Declarant's Records (EIDR) authorisation. EIDR is a customs declaration simplification that allows customs declarations to be lodged by entry in the declarant's records. Declarations are deemed to have been accepted by the customs authorities at the moment the goods are entered in the records. The use of EIDR shifts customs controls from pre-release declaration checks to post-clearance verification of the declarant's records, internal controls, and audit trail. Consequently, customs audits place increased emphasis on the completeness, accuracy, and traceability of entries in the records and on the effectiveness of the company's customs compliance framework.

VTTI applies the EIDR declaration process, to the greatest extent possible, for placing goods under the customs procedures release for free circulation, customs warehousing and inward processing.  VTTI does not apply the EIDR process when placing goods under the export or re-export procedure, for those declarations, a standard export or re-export declaration is submitted electronically. VTTI does also not use the EIDR procedure in situations where this is not permitted. For example, in cases where the release of goods for free circulation requires the presentation of a valid AGRIM certificate. Where EIDR is not used, VTTI lodges customs declarations directly into the declaration system of Customs. This process is embedded in VTTI's ERP and CMS and to a large extent automated.

The EIDR process consists of the following three steps:

1. Presentation of the goods;
2. Entry in the declarant's records;
3. Submission of the supplementary declaration.

**Presentation of the goods** is the legal act of making goods available to Customs for control, while the presentation notification is the electronic message used to inform Customs that the goods have been presented. A presentation notification is lodged whenever goods are placed under a customs procedure requiring presentation of the goods. When goods are placed under successive customs procedures, Customs may waive the obligation to lodge a presentation notification. Dutch Customs waives this obligation at the second and further placements, provided that the goods are fully traceable in a single administration. This waiver is referred to as the Chain Arrangement (ketenregeling). The principal advantage of the Chain Arrangement is that physical customs controls (if any) can generally be limited to the arrival of the goods at the terminal when they are placed under the first customs procedure in the chain. A key condition for the application of the Chain Arrangement is that, at the first link in the chain, sufficient information and supporting documentation is available to enable Customs to perform any controls that may be required at later stages in the chain. For example, where goods are ultimately intended to be released for free circulation, Customs must be able to verify at the first placement in the link that all relevant import requirements have been met.

VTTI applies the Chain Arrangement to the greatest extend possible, i.e. wherever the applicable conditions are met. Under the Chain Arrangement, VTTI only lodges a presentation notification when goods first arrive at the terminal and are placed under the customs warehouse procedure. The goods are not presented again when they are subsequently placed under another customs procedure. For example, goods arriving at the terminal are placed under the customs warehousing procedure, followed by inward processing, return to customs warehousing and are ultimately released into free circulation. In this chain, a presentation notification is only lodged when the goods arrive at the terminal and are placed under the customs warehousing procedure.

**Entry in the declarant's records** is the lodging of a customs declaration through an electronic entry in VTTI's records. At the time of entry, the particulars of the declaration must be available in VTTI's systems and thereby at the disposal of the customs authorities. The entry contains all information required for the application of the relevant customs procedure and serves as the basis for the subsequent supplementary declaration.

**The supplementary declaration** is lodged via the customs declaration system and must be submitted no later than 10 days after the goods have been entered into the declarant's records. The reference period is one calendar day, meaning that all goods entered into the records on a particular day must be covered by supplementary declarations submitted 10 days later. For example, goods entered into the records on 1 January must be covered by supplementary declarations submitted on 11 January. Failure to submit a supplementary declaration within the prescribed deadline constitutes a breach of the conditions of the EIDR authorisation. Depending on the circumstances, Customs may require corrective action, impose administrative penalties, increase compliance monitoring, or, in cases of repeated or serious non-compliance, suspend or revoke the authorisation.

Each supplementary declaration relates to a single entry in the records. VTTI submits multiple supplementary declarations on a given day, depending on the volume of transactions. Supplementary declarations are not required for goods placed under the customs warehousing procedure.

**Automation**

The processes for lodging a presentation notification, making an entry into the records, and lodging a supplementary declaration are embedded in VTTI’s ERP system and CMS and are, to a large extent, automated based on predefined business rules. The automated process is subject to continuous monitoring and review by CS and CGT.

**Review procedures**

Automated processing is prevented where required information is missing or where errors, inconsistencies, or discrepancies are detected in customer-provided data or documentation. In such cases, CS and CGT review and resolve the issue before the relevant message, declaration, or entry is submitted or recorded.

> The detailed functional and technical design of the ERP System and Customs Module, including the Parcel administration model, procedure determination logic, business rules and declaration processes, is described in Annex AO/IC ATLAS-CMS.

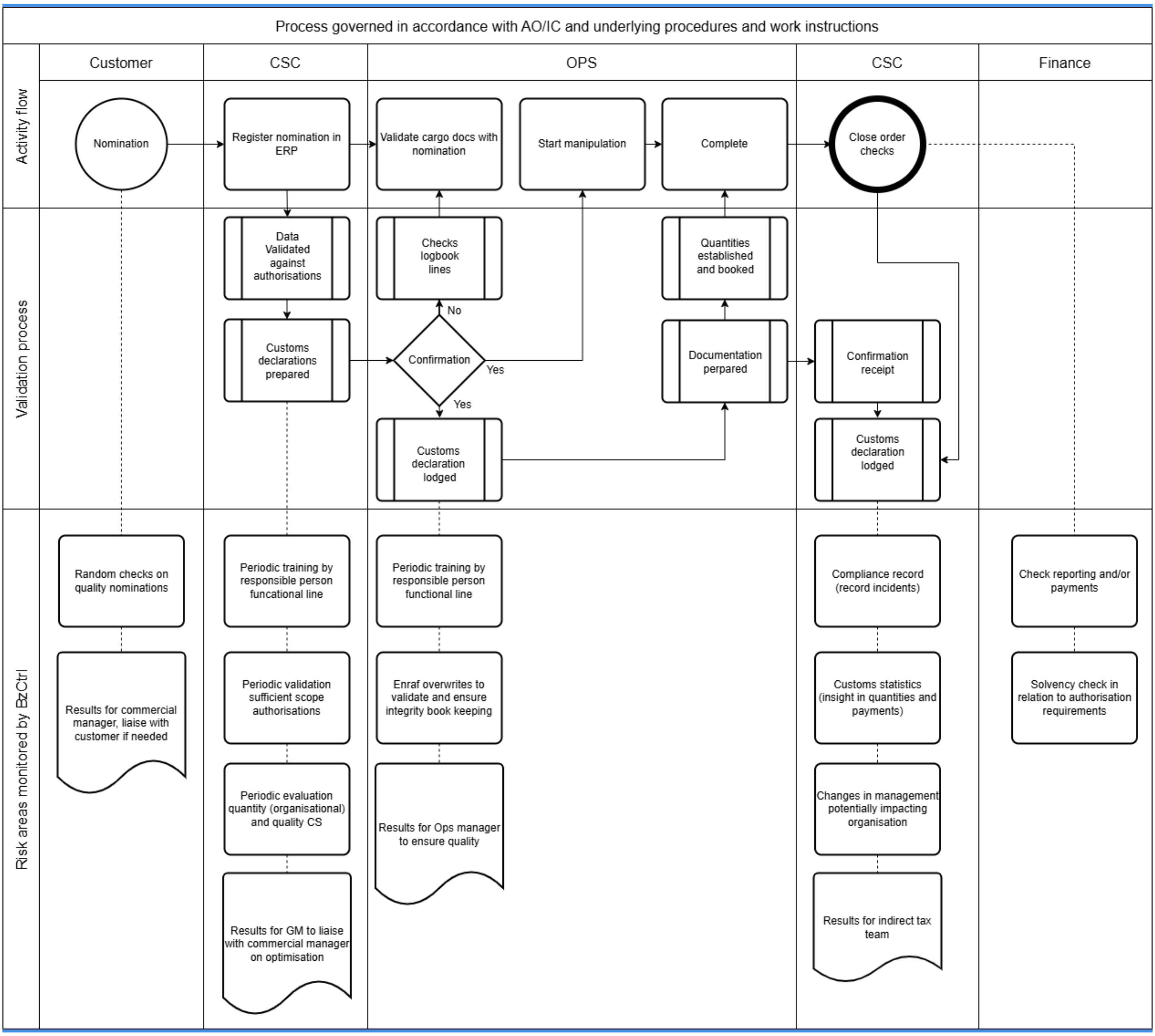
# Declarations, notifications and supporting documents

During the month and ultimately with creating the monthly stock reports, it is checked if there are any outstanding transit documents and/or e-AD’s that have not been cleared within the timeframe one may expect.

In case documents are not cleared within the expected timeframe the customers are informed accordingly.

**TBD**

# Schematic overview



TBD

# Customs data elements

# Classification

The customer, as owner of the goods, is required to provide the CN code of the product that will be discharged and/or blended (i.e., the CN code of the end product in case of a blend). VTTI’s CS typically receives product analyses which are used to verify the CN code provided by the customer. The CN code provided by the customer is leading and is verified on the basis of incoming customs documentation and product analysis reports in accordance with attached procedure. Should the product analysis show characteristics that contradict with the customer’s nomination, CS will liaise with the customer before the goods are moved to ensure a correct customs declaration can be lodged.

> A link to VTTI's "C&E Classification" procedure is included here

VTTI maintains a product database on the basis of the information received from VTTI’s customers and links the products to the appropriate tax treatment. Attached procedure provides specific details on how the product database is maintained.

> A link to VTTI's “IT – Product masterdata” procedure is included here.

# Customs value

> When a parcel is registered in the terminal's ERP system, the value of that parcel is recorded by CS in line with the current market value. The market value is usually provided by the customer. Otherwise, it is obtained by CS from publicly available market data sources, such as Platts Market Data from S&P. As such, all parcels registered in the ERP system are accompanied by a value.
>
> The value becomes relevant for customs purposes when an import declaration is submitted. Where the applicable import duty rate is 0%, the goods qualify for preferential treatment upon import, or where a specific duty applies (i.e., duties are not calculated over the value but over another factor such as weight), the customs value declared serves a purely statistical purpose and has no financial impact. In such cases, VTTI has agreed with the customs authorities to apply the “reasonable means” method as an alternative method of customs valuation, in accordance with Article 74(3) of the UCC. More specifically, VTTI determines the customs value on the basis of the current market value of the relevant product.
>
> If the import duty rate exceeds 0%, no preferential treatment applies or customs duties due are calculated on an ad valorem basis, the customs value will be determined in accordance with the general customs valuation framework of the UCC. This means that the customs value will in principle be determined in line with the transaction value method, in accordance with article 70 of the UCC. In specific cases where no valid transaction is available, the customs value will be determined according to one of the alternative valuation valuation methods.
>
> > More practical details on customs valuation are included in VTTI's "Customs valuation procedure", which can be found here.

# Origin

## Preferential origin and provenance

If the goods to be declared for import are subject to a reduced import duty tariff due to the presence of a preferential certificate of origin (e.g. EUR.1 or Form A) or a document attesting the provenance of the goods (A.TR, INF3, T2L(F)) CS will verify the correctness of said documents.

Occasionally, the terminal can have a certificate of origin EUR.1 validated by Customs. This involves certificates EUR.1 for goods of EU origin that are intended for shipment to third countries. The certificate EUR.1 is issued on the basis of supplier declarations, which are issued by VTTI's principals. All documents related to the certificate EUR.1 to be issued are saved in a separate dossier.

> A link to "C&E – Preferential origin documentation" is included here.

## Non preferential origin

A non-preferential certificate of origin can be presented upon the discharge of goods. There are no tax-related measures on the non-preferential origin of goods; therefore, these certificates are accepted for information only. The origin listed on the certificate will be registered in VTTI's ERP system.

CS checks whether the certificate of origin is related to the goods discharged and that the certificate is filled in completely. Because there are no further measures attached to the origin, no other checks will take place. The origin will be recorded in ERP.

Upon loading of vessels, a non-preferential certificate can be issued at the request of a principal. All correspondence regarding the issuing of this certificate shall be retained by the terminal in the administration (DIVA). The internal procedure used to establish the non-preferential origin is attached.

> A link to "C&E - Non-preferential origin" is included here.

# Quantities

Establishing the quantities of the goods VTTI handles is the responsibility of OPS. Quantities are typically established by means of ENRAF, VTTI’s automated gauging system which is certified. In case of specific reasons, the ENRAF readings turn out to be unreliable, the ENRAF reading can be overwritten with clear explanations as to why the reading was overwritten.

> A link to VTTI's "C&E - OPS Measurements" procedure is included here.

# Safety & Security

Safety & Security

# Certifications

Opgevraagd bij Jan van der Wulp

# Customer governance

This chapter describes VTTI's contractual relations and procedures for interaction with customers

# Customer onboarding process

(tbd)

# Contractual relations

The product handled at VTTI’s terminal is typically owned by VTTI’s customers. Part of the contracting phase is that the customer and the terminal map the activities anticipated and the products involved to ensure they are covered by VTTI’s authorisations (article 17.1 GT&C’s).

Part of VTTI’s services is handling customs and excise formalities on behalf of VTTI’s customers. To enable VTTI to handle these formalities in a compliant manner, the customer is required to provide VTTI timely with the correct and complete data needed to lodge a particular customs or excise declaration (article 17.2 GT&Cs).

> VTTI's General Terms & Conditions are included here.

# Customs representation

Most customs declarations lodged by VTTI are based on a customs authorisation held by VTTI:

- Customs warehouse
- Inward processing
- Import via VTTI’s EIDR authorisation.

As a consequence these customs declarations are lodged in VTTI’s own name and on VTTI’s own behalf (i.e., no customs representation is applied).

Only two types of declarations remain where VTTI might lodge a customs declaration on behalf of a customer:

- Declarations for release for free circulation via the “normal declaration procedure” (i.e., the declaration is not lodged via EIDR, but directly in the declaration system of the Customs Authorities);
- (Re-)export.

Whether these two types of declarations can be filed under direct- or indirect customs representation depends on the country of establishment of the customer:

- Declarations for customers not established in the EU will always be filed under indirect customs representation, as EU customs legislation requires the declarant to be established in the EU. Indirect customs representation means that the declaration is filed on behalf of the customer, but in VTTI’s own name.
- Declarations for customers established in the EU can be filed under direct customs representation. Direct customs representation means that the declaration is filed on behalf of and in the name of the customer.

Where VTTI files (re-)export declarations on behalf of a customer not established in the EU, VTTI, in addition to acting as declarant, usually also assumes the role of exporter in the (re-)export declaration, as customs legislation requires the exporter to be established in the EU. Given that the exporter must have the power to determine, and must in fact have determined, that the goods are to be taken out of the customs territory, a mandate is required in order to fulfil the conditions for qualification as exporter.

# Risk and Control Framework

# Organization personnel

The terminals are managed by the local management team under the direction of the General Manager. The Commercial Manager reports to the General Manager and is responsible for commercial and related support functions, including customs. Responsibility for customs matters lies with the CSC Manager, who reports to the Commercial Manager.

ETT and ETA both have dedicated customs resources. The customs employees at the terminal are supported proactively and upon request by the CGT team at HQ.

Customs employees at the terminals have a hierarchical reporting line to the CSC Manager and a functional reporting line to CGT.

An organization chart of each terminal is included as annex:

ETT - Org chart.pdf

ETA - Org chart.pdf

> More details on how the C&E function for terminal services is organized from a group perspective is included here.

# Competence and professional qualifications

All employees engaged in customs-related activities have successfully completed training covering applicable customs legislation, aligned with and proportionate to their respective roles and levels of involvement.

To remain up to speed with relevant customs and excise legislation, all VTTI employees involved in customs and excise matters are also subject to a comprehensive, ongoing training program. The program can consist, among other things, of the following elements:

- For less experienced employees: Training programs at recognized educational establishments, such as Evofenedex or similar;
- For all employees involved in customs matters: Annual internal customs and excise training, organized by CGT;
- For all employees involved in customs matters: Internal toolbox training sessions (organized by CGT in case of relevant legislative changes or other relevant developments);
- For all employees involved in customs matters: E-learning program in BzCtrl;
- For all employees involved in customs matters: Webinars organized by Customs and other relevant authorities;
- For all employees involved in customs matters: External conferences concerning customs matters.

The CGT team is responsible for the training program and determines which trainings are followed by which employee.

# Risk register

All customs and excise compliance risks identified by VTTI are centrally captured in a risk register. For each identified risk, appropriate mitigating measures are implemented. The risk register provides a clear overview of the relationship between risks and their corresponding controls, enabling visibility of both the identified risks and the measures in place to manage them at a glance. Mitigating measures may include internal controls, automated checks or validations within ERP systems, or specific work instructions.

> The risk register is included here

# Incident registration

An important element of VTTI’s control framework is incident registration. All employees involved in customs-related activities are trained to identify situations of (potential) non-compliance and to report these. Incidents are registered in the incident registry in BzCtrl.

Registered incidents are discussed by the terminal customs team during the weekly stand-up meeting. Where appropriate, the customs team implements corrective actions to address non-compliant situations. In addition, the team assesses whether further measures are required to reduce the risk of recurrence. Such measures may include additional employee training, updates to work instructions or procedures, improvements in ERP, or the implementation of enhanced internal controls.

Incidents that require additional attention or are relevant from an AEO perspective are reported to the CGT team.

On a quarterly basis, an incident review is conducted during which CGT and the CSC managers of ETA and ETT evaluate incidents from the preceding quarter, identify measures to mitigate the risk of recurrence, and define follow-up actions.

# Computerization and administration

## ERP

To ensure compliance with its authorisations, VTTI strongly relies on its ERP system and the measures of internal control therein.

VTTI currently operates an ERP system called ATLAS. ATLAS has been developed in-house to ensure it aligns closely with the specific requirements of the tank storage terminal business. All relevant activities are registered in Atlas.

ATLAS interacts with CMS, VTTI's customs module, through an interface. Based on standardized, predefined business rules, CMS reviews data input, generates documentation, submits declarations, and provides feedback to the user.

> A detailed description of the process governed through ATLAS and CMS is included here.

The previous ERP system, Tomcat, is currently still operational at a number of terminals awaiting the phased, terminal-by-terminal rollout of ATLAS.

The software specialists who manage the ERP system from a technical perspective are employed by VTTI Terminal support services B.V. and have their permanent place at the head office in Rotterdam, the Netherlands.

With regard to the operation of VTTI's ERP system, the following procedures are relevant to hardware, software, and access control in order to prevent system outages and security breaches.

> A detailed description of the IT Authorisation procedure is included here

> A detailed description of the Data security procedure is included here

> A detailed description of the Technical data procedure is included here

## Quality online

Within the VTTI Group, the management system tool QOL is available worldwide as both a document management and reporting tool.

When it comes to customs and excise, QOL is used for:

- storage of work instructions
- HSE

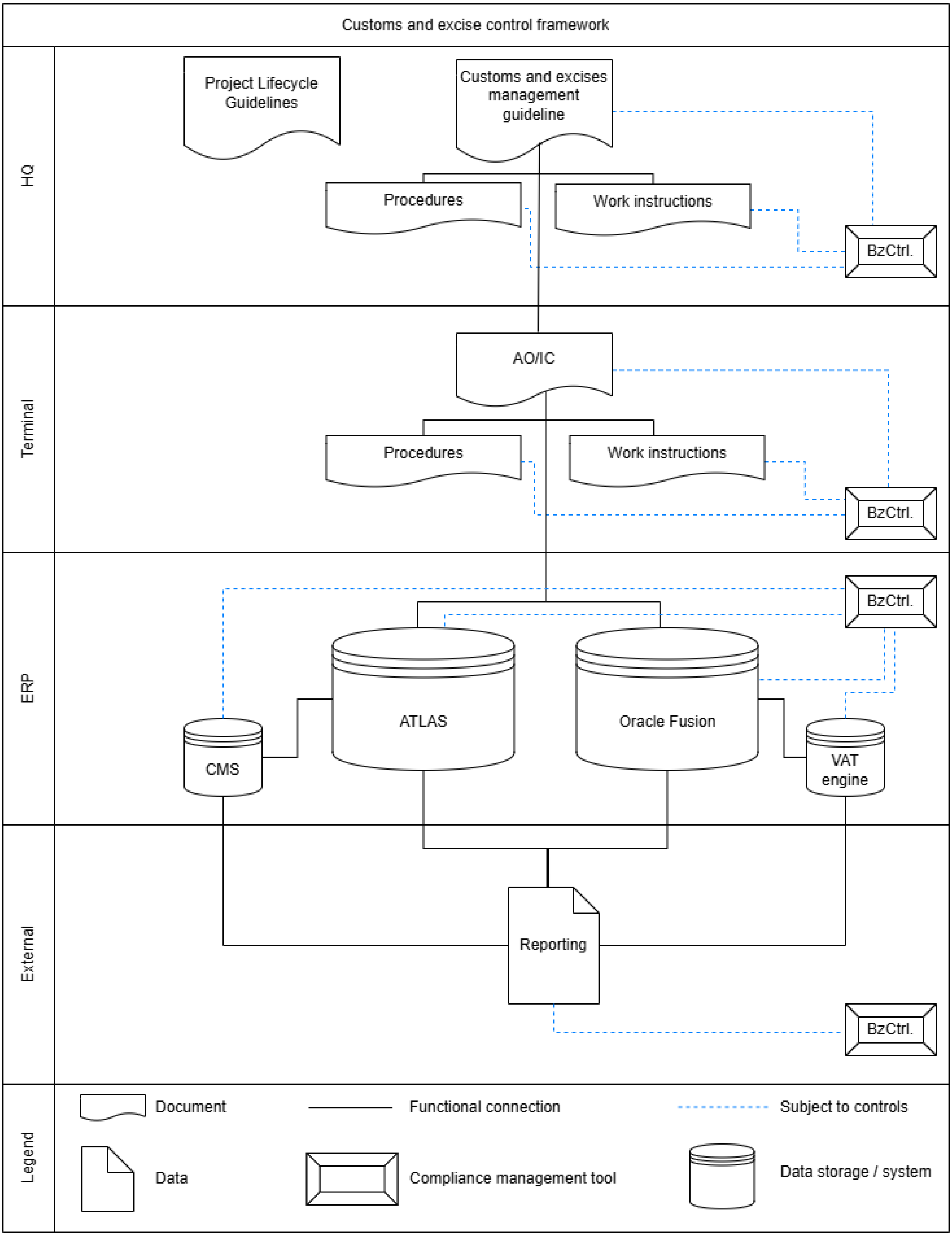
## BzCtrl.

VTTI uses BzCtrl. as its compliance platform specifically for customs, excise and AEO-compliance. Key functions are:

- Domains and workspaces – BzCtrl. is structured into multiple domains and workspaces, allowing user-specific access rights to be defined so that only elements relevant to a particular user are visible.
- Risk register – All identified customs-related risks are centrally documented. The risk register plays a central role in VTTI’s control framework. Each risk is mitigated through measures designed to keep the risk manageable.
- Document management – The AO/IC, procedures, work instructions, and other relevant customs & excise documents can be accessed and updated centrally in BzCtrl. BzCtrl includes a revision history function, allowing updates to be monitored and earlier versions to be retrieved. Access rights and authorization to make updates can be granted to specific individuals, or documents can be marked as private, limiting access to a defined group of colleagues.
- Internal controls – Customs and excise related ICs are integrated in BzCtrl. They can be assigned to a specific user, including a fixed recurrence term, deadline and reviewer. The results of internal controls are made accessible via BzCtrl.’s dashboard function.
- Incident register – Customs compliance incidents (at HQ or at one of the terminals) are registered centrally in BzCtrl, providing the CGT team with real-time insight, and enabling the team to take measures as needed.
- Archiving – Documents relevant for customs & excise can be stored in the system.
- E-learnings – BzCtrl. is VTTI’s central tool for customs- and excise-related e-learnings, which can be assigned to specific users based on content and role.
- To-do – BzCtrl’s to-do function makes the system suitable for use as a project management tool, enabling the tracking of actions, the setting of deadlines, and the assignment of actions to specific users.

# Schematic overview

Schematically, VTTI's C&E control framework is set up as follows:


Customs and excise control framework
HQ
Project Lifecycle Guidelines
Customs and excises management guideline
Procedures
Work instructions
BzCtrl.
Terminal
AO/IC
Procedures
Work instructions
BzCtrl.
ERP
BzCtrl.
ATLAS
Oracle Fusion
CMS
VAT engine
External
Reporting
BzCtrl.
Legend
Document
Functional connection
Subject to controls
Data
Compliance management tool
Data storage / system

# Control activities, monitoring and testing

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# Automated controls

To guide the physical processes, VTTI’s Orders & Nominations module in VTTI’s ERP is governed by “order statuses”. An order can only move to the next step in the process when the relevant data required at that time is available. Moving from one status to another triggers various checks and balances to ensure compliance. These checks and balances are based on rules. The procedure on order statuses that provides for more detail around the working of this concept is included as annex.

> A link to VTTI's “IT – Order statuses” procedure is included here.

To ensure all activities at VTTI’s terminal are covered by VTTI’s customs and excise authorisations, VTTI’s ERP system automatically validates:

- If the activity is covered by VTTI’s authorisations, and which authorisation is applicable;
- If the products involved are covered by VTTI’s authorisations.

Details around the rules and working of these controls are described in attached procedure.

> A link to VTTI's "IT - Blending licence" procedure is included here.

The physical process is further governed by embedded checklists in VTTI’s ERP system. Depending on the type of manipulation, the relevant checks are performed by Operations, including verification that the appropriate documentation and authorisations are in place prior to discharging or loading a vessel. More details about these checks are provided in the procedure attached.

> A link to VTTI's “C&E – Checks ERP per stage and order type” procedure is included here.

# Manual controls

On a monthly basis, VTTI’s stocks are reconciled and the (monthly) supplementary declaration (GPA) is sent to Customs.

> A link to VTTI's "C&E - Customs monthly declaration GPA" procedure is included here.

The specific modalities of GPA of VTTI Terminals II B.V. related to the nature of goods (liquid bulk) are captured in the Work agreement with the Customs authorities.

> A link to "Work agreements GPA VTTI Terminals II BV" is included here.

Besides the above controls. several other controls are included in BzCtrl.

# AEO/self-monitoring and continuous improvement

VTTI has integrated the annual AEO-monitoring activities for all the EU-terminals in BzCtrl.

| | |
|---|---|
| Audit trail | The availability of an adequate audit trail to ensure an efficient and effective audit based customs control. Separation Union from non-Union goods. SAQrev6 3.1 ISO 9001:2015, section 6. SAQrev6 3.2.2. |
| Accounting system | A satisfactory system of managing commercial and where appropriate, transport records, which allows appropriate customs controls (Articles 39 (b) UCC and 25 UCC IA). SAQrev6 - 3.2; ISO 9001:2015, section 6. |
| Compliance record | An appropriate record of compliance with customs requirements (Articles 39 (a) UCC and 24 UCC IA). Section 2 from the SAQrev6. |
| Customs routines | Ensuring compliance with regard to applying the appropriate customs procedures (Subsection 3.5 from SAQ rev6) and non-fiscal measures (Subsection 3.5.4 from SAQ rev6) |
| Flow of goods | A satisfactory system of managing the appropriate customs treatment of goods handled. SAQrev6 - 3.4; ISO 9001:2015, sections 6,and 7 |
| General information | The purpose of this control is to verify that no crucial changes took place in relation to the organisation, operational licenses and measures of internal control. SAQrev6 Section 1.1 TAXUD/B2/047/2011-REV6 |
| Information security | Procedures as regards back-up, recovery and fall-back and archiving options (Subsection 3.6 from SAQ), protection of computer systems (Subsection 3.7 from SAQrev6) and documentation security (Subsection 3.8 from SAQrev6). |
| Practical standards of competence or professional qualifications | Practical standards of competence or professional qualifications directly related to the activity carried out (Article 39 (d) UCC, Article 27 UCC IA, AEO Guidelines Part 2 Section IV) |
| Proven financial solvency | The purpose of this control is to validate that the company continues to meet the criteria around financial solvency. (Article 39 (c) UCC, Article 26 UCC IA, AEO Guidelines Part 2 Section III) |

# Who does what

Who does what

# Teams involved (to be discussed)

Zie RACI chart. Kenneth bereidt een overleg binnen het HQ Douaneteam voor om te bespreken of we dit nodig hebben  (Laura, Eva, Remy, Kenneth, Eibert).

Who does what

# RACI Matrix (to be discussed)

Kenneth bereidt een discussie voor om met het Douane team te bespreken of een RACI Chart voor VTTI waarde toevoegt.