



Strengthening Customs and Business Partnership through AEO

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Customs ? Gate Keeper !



Man walking on the rope !



Additional challenges : the Box

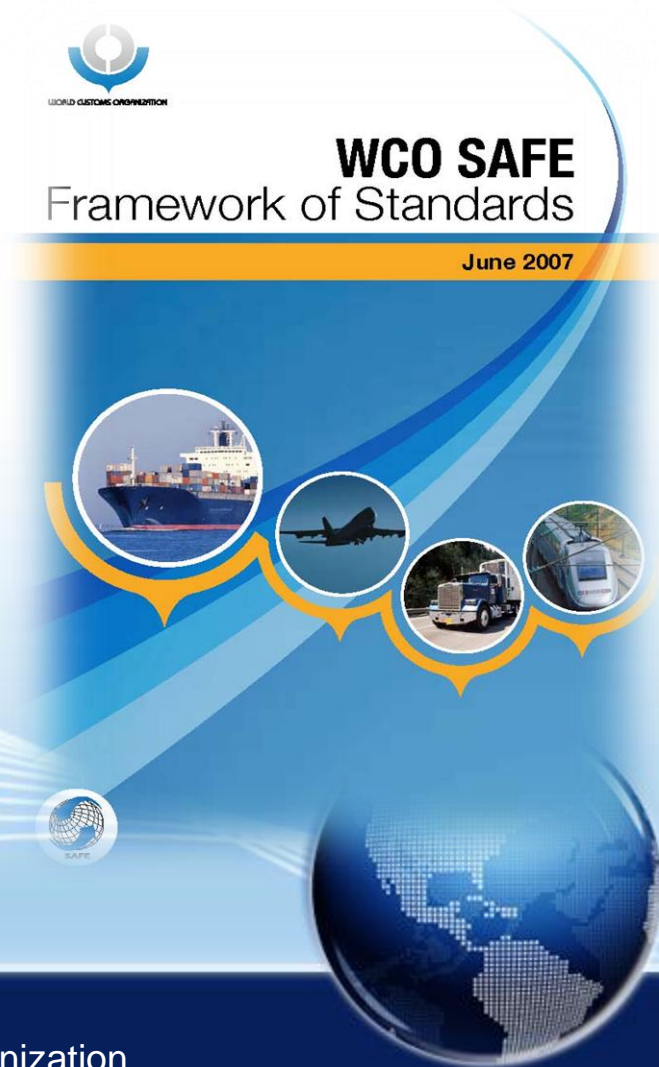


- **Jumping Trade volume with JIT requirements**
- **No increase of staff, added mission**
- **No idea of what' s inside...**
- **Terrorism and others**

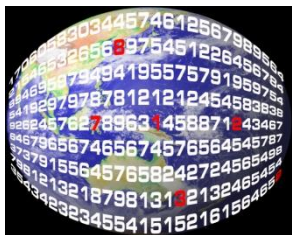


SAFE FoS

- Recognition of risks to the security and facilitation of the international trade supply chain
- WCO Council Resolution, June 2002, forming a Joint Customs-Industry Task Force on Security and Facilitation.



SAFE PRINCIPLES



Advance
electronic
information



Risk
Management



Outbound
inspection



Business
Partnerships
(AEO)

Harmonise the
advance
electronic
information
requirement on
inbound,
outbound and
transit

Commit to
employing a
consistent risk
management
approach to
address security
threats.

Outbound
inspection of high-
risk consignments
being exported,
preferably using
non-intrusive
inspection
methods.

Customs will
provide
benefits to
businesses that
meet minimal
supply chain
security
standards and
practices.

AEO; not a new Concept



TEAMWORK

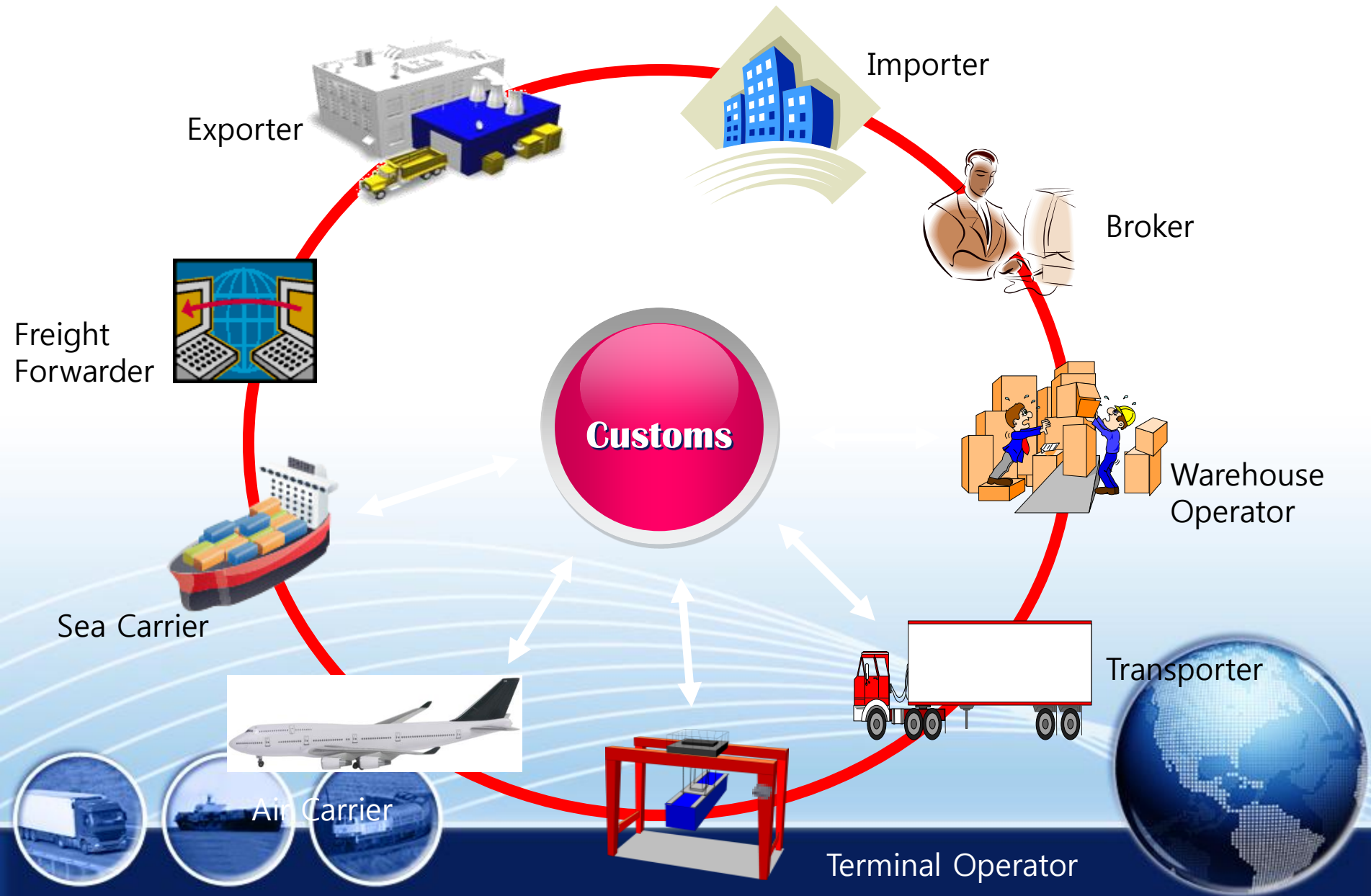
Coming Together Is Beginning. Keeping Together
Is Progress. Working Together Is Success.

◆ **AEO** (Authorized Economic Operator)

- **A party involved in the international movement of goods**
- **Approved by Customs as complying with supply chain security standards..**



Supply Chain Entities



WCO AEO Criteria

Law Compliance

1.1 Disqualification such as offence on Acts and Customs admin.-related compliance

Internal Control System

1. Objective and Operation Policy of AEO

2. Documentation on procedures, Accuracy of information, and Interactions of information.

3. Mgmt of risk factors and internal control, and Integrity & anti-corruption program

4. Traceable accounting, IT, and goods movement management systems and safekeeping of data & documentation

Financial Solvency

1. Volume of business

2. Financial soundness

Security MGMT

1. Business partner management

2. Conveyance & Container security

3. Physical access controls

4. Personnel security

5. Procedural security

6. Facility/equipment mgmt

7. IT security

8. Training & awareness



AEO Benefits



1. Competitive advantage

- Being part of AEO, will enhance logistics performance with less intervention
- Gives a seat working with Customs to modernize & attract business (national pride)
- Treated as an equal partner



2. Branding

- Being a secure trader means you are branded
- In the program, your brand name or clients names are protected (e.g. no one wants bad publicity)



3. Marketing tool

- Being predictable, reliable, consistent
- Potentially attract client or investment over neighbor or country competitiveness
- Customs is a necessary evil, a fair trading field can determine competitive advantages.



4. Efficiency of business

- Help reduce theft and damage and identify inefficiencies in present supply chain
- Improve internal security and marketability to potential clients (e.g. personnel selection, termination procedures)
- Improving communications with business partners/Customs



5. The country/people

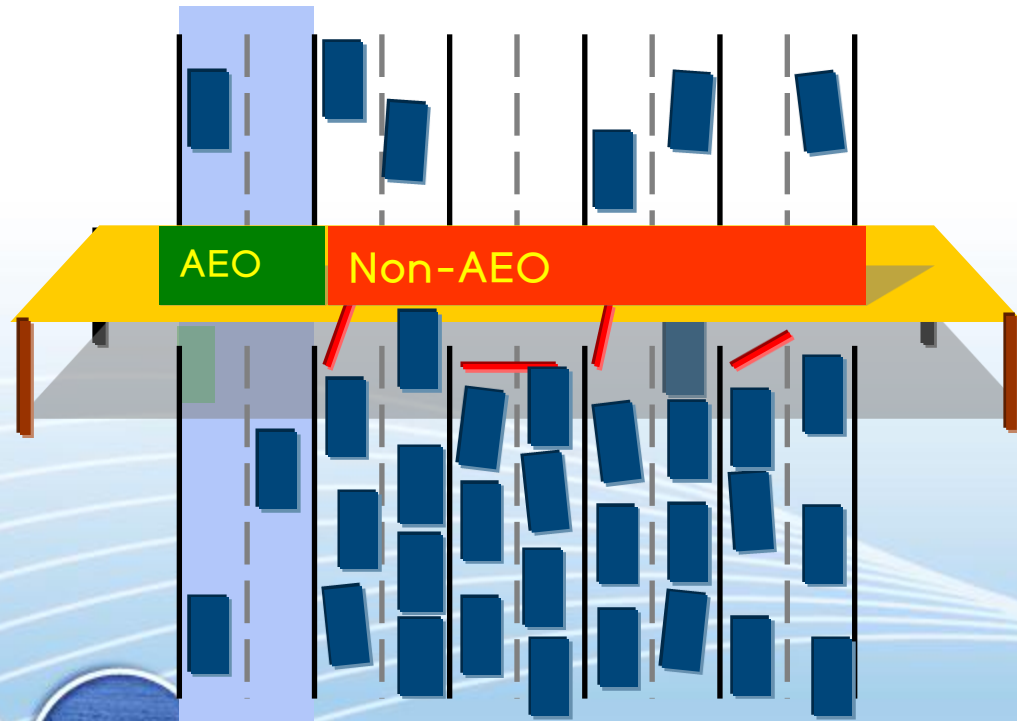
- Being a part of the solution to your country & economy
- Innovative ways to improve & secure the international supply chain
- Customs can play a critical role in developing the brand name of the country and in developing export industry
- .



AEO Benefits

Benefits

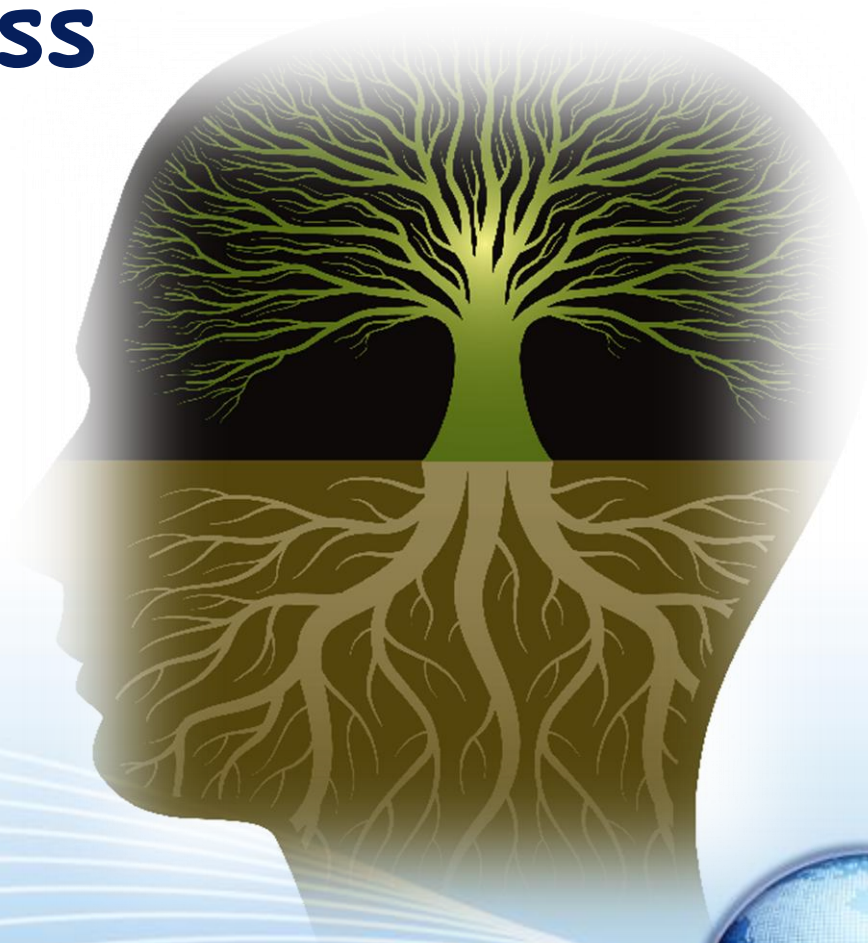
- Simplified and Less Physical Inspection
- Simplified Customs Procedures
- Less Financial Burden
- Others



For successful AEO/Partnership



Raise Awareness



Training

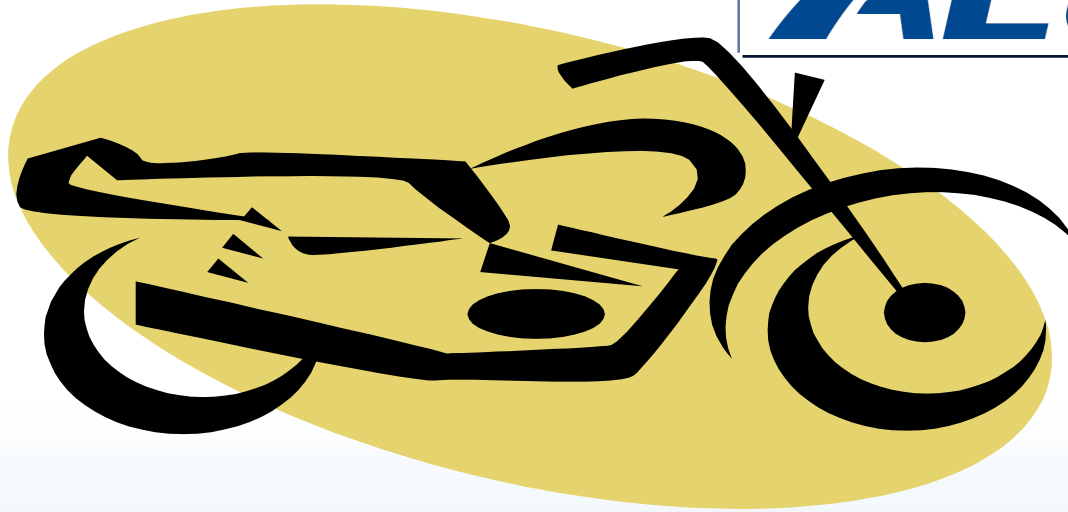


Customs Officials

Companies



Supporting SMEs



Providing administrative supports

- 99% of business, 49.4% of production and 85.7% of employees
- Providing them with administrative support



Additional Benefits

- Benefits related with other Entities
- Close Cooperation with OGAs
- Benefits for AEOs in logistics
- Mutual Recognition of AEO programs



MRAs by countries (19)

Country	JP	US	KR	EU	CA	SG
No.	6	6	5	5	4	4

Country	NZ	JD	SW	NW	AD	CN
No.	3	1	1	1	1	1

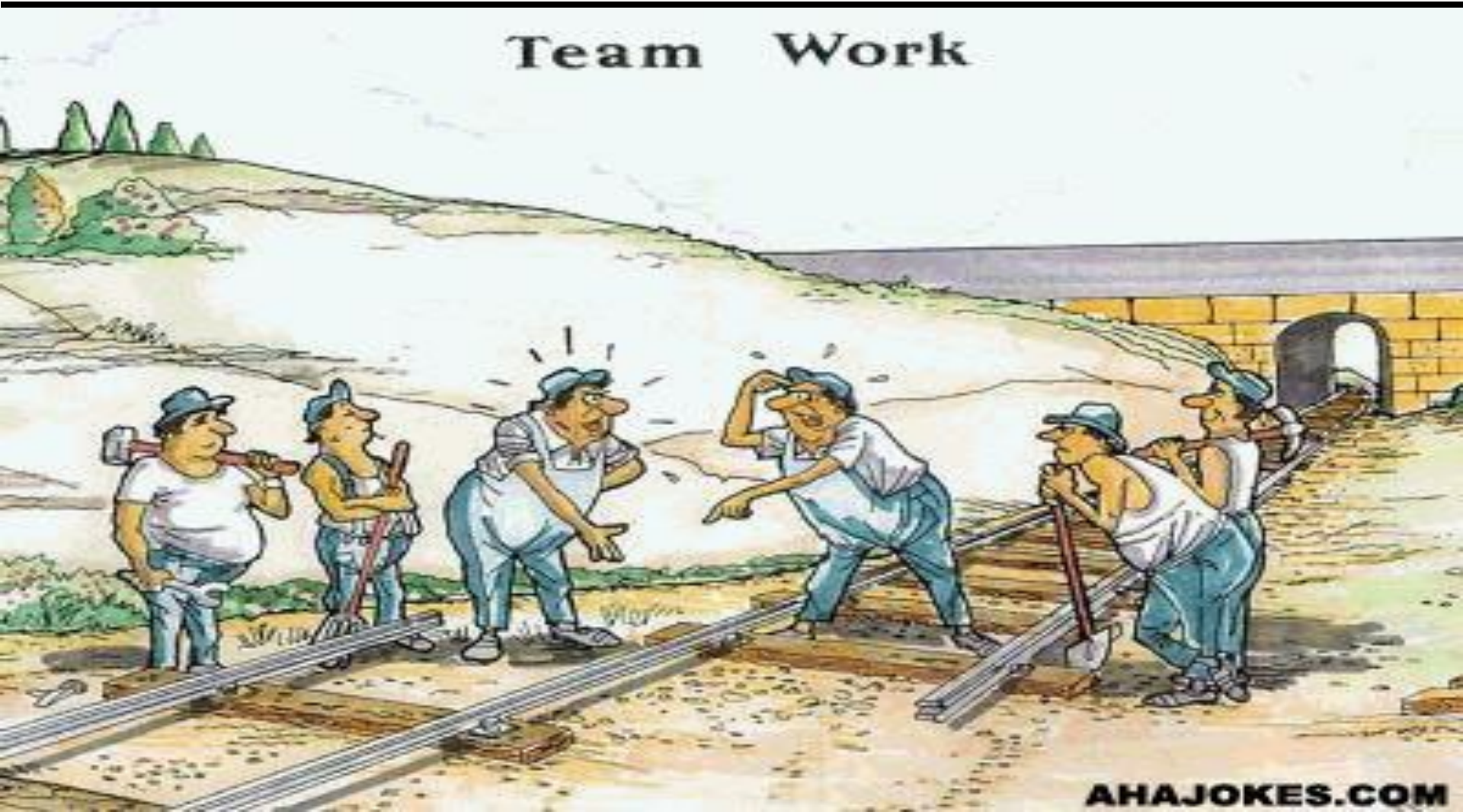


International Cooperation

- Research on the effects of AEO MRAs
- Technical assistance
- Information sharing



Lack of Public-Private Partnership



Contacts

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