AEO Programs
Conceptual Framework and
Global Overview

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COMCEC
Standing Committee
for Economic and Commercial Cooperation of the
Organization of Islamic Cooperation

12th MEETING OF THE COMCEC TRADE WORKING GROUP
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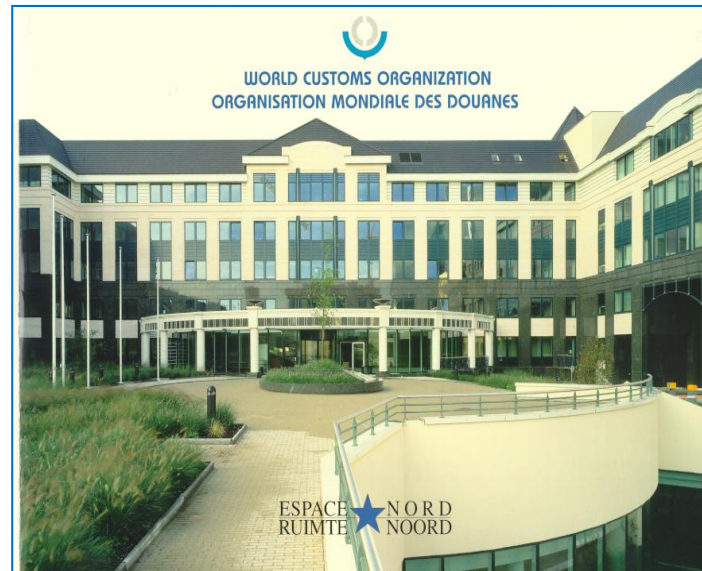
Programme Contents

- Background and objectives (slide 2-12)
- Global Overview of the implementation (slide 13-16)
- New Features of the WCO AEO programme (slide 17-18)
- Lessons Learned & Way Forward (slide 19)
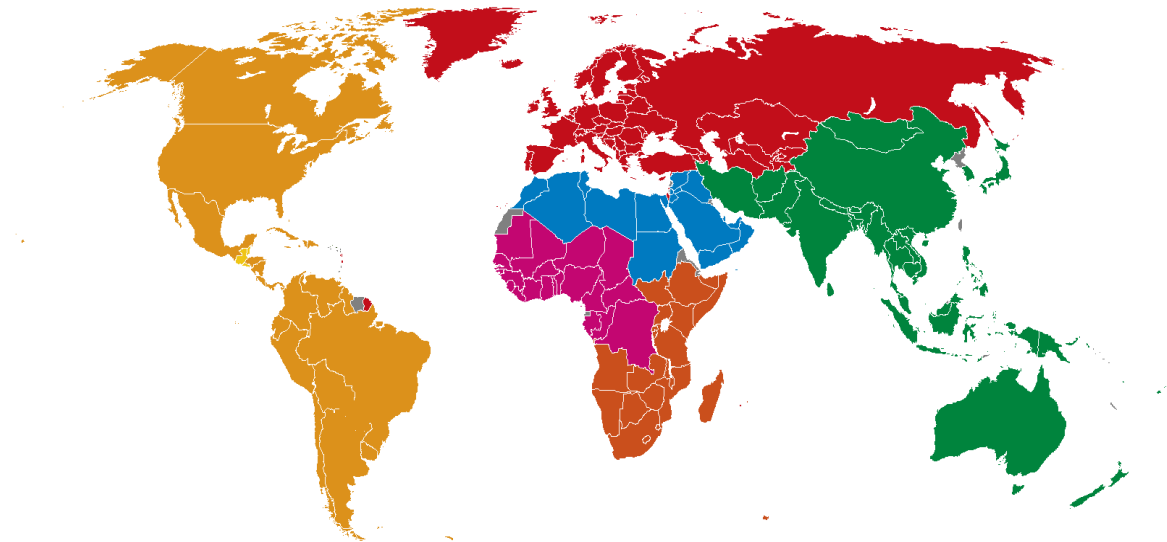
World Customs Organization (WCO)

✓ **Only International Organization exclusively focused on Customs matters**

An organization with global reach

182* Members divided into 6 regions, responsible for processing 98% of international trade *(* plus the European Union which, since July 2007, has rights akin to those of a WCO Member for matters falling within its competences as an interim measure.)*

🟧 South America, North America, Central America and the Caribbean	🟦 North of Africa, Near and Middle East
🟥 Europe	🟪 West and Central Africa
🟩 Far East, South and South East Asia, Australia and the Pacific Islands	🟧 East and Southern Africa

WCO Mission

To enhance the effectiveness and efficiency of Customs…

Trade Facilitation and Security	Protect Society	Collect Fiscal Revenue

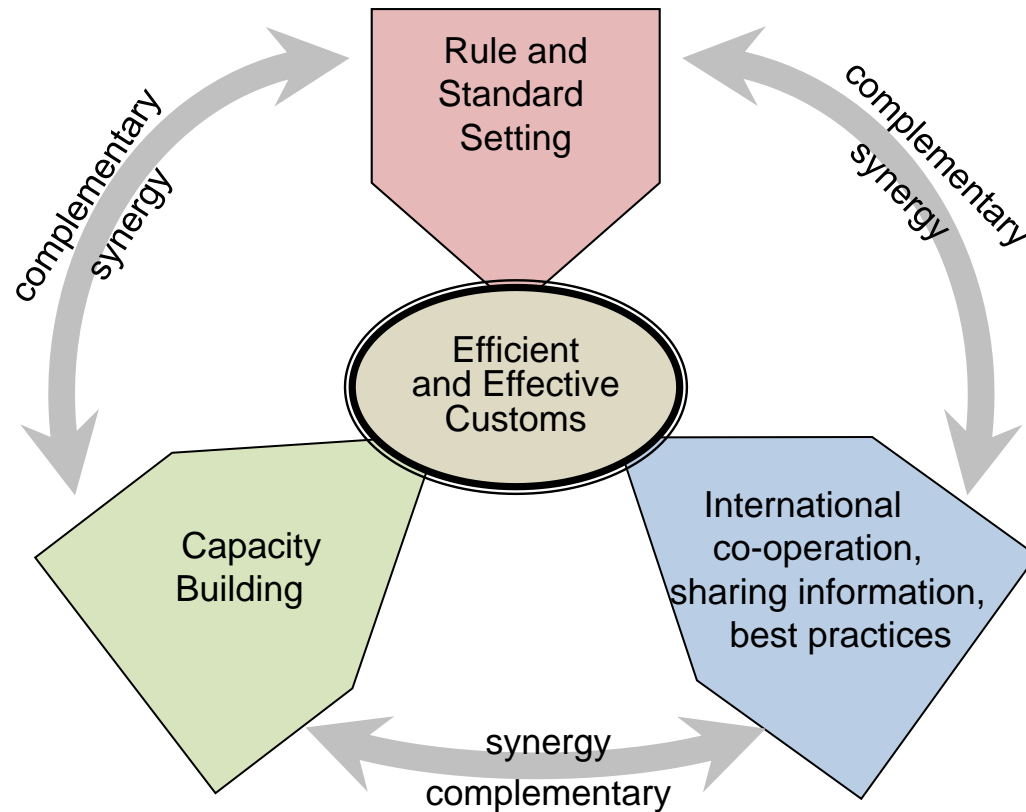*...which promotes*

Economic prosperity and social development
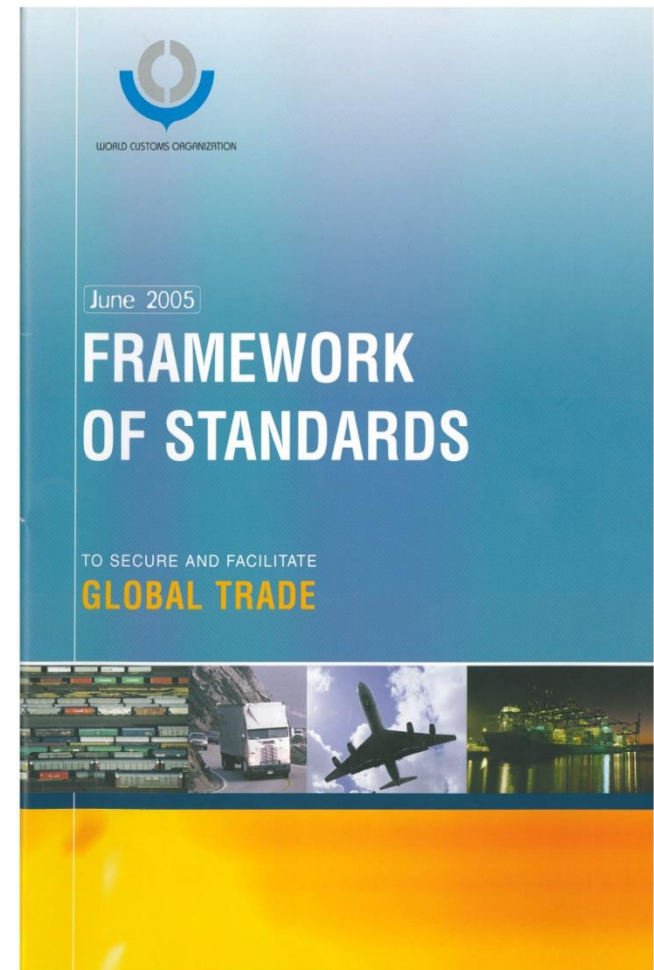
WCO key activities

WCO AEO Programme
a part of the SAFE Framework of Standards

➢ The global supply chain is vulnerable to terrorist exploitation.

➢ Customs administrations well placed to provide increased security to the global supply chain.

➢ SAFE Framework of Standards

  ○ *secures and facilitates global trade.*
  ○ *provides overarching framework for the Security Programme*

➢ 169 Members have signed letter of intention to implement SAFE

SAFE Framework of Standards to Secure and Facilitate Global Trade

ADVANCE ELECTRONIC INFORMATION	RISK MANAGEMENT	OUTBOUND INSPECTION	BUSINESS PARTNERSHIPS
Harmonizing advance electronic information requirement on inbound, outbound and transit shipments.	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 fulfils supply chain security standards and best practices.

Authorized Economic Operator (AEO) and MRAs

AEO is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administrations as complying with WCO or equivalent supply chain security standards.

WCO AEO CRITERIA

Eligibility criteria (SAFE FoS, Annex IV):
- Demonstrated Compliance with Customs Requirements,
- Satisfactory System for Management of Commercial Records,
- Financial Viability, and
- Consultation, Co-operation and Communication
- Education, Training and Awareness
- Information Exchange, Access and Confidentiality
- Security (cargo, conveyances, premises, personnel and trade partners),
- Crisis Management and Incident Recovery
- Measurement, Analysis and Improvement

WCO AEO CRITERIA (continuation)

Eligibility criteria (SAFE FoS, Annex IV):

- Demonstrated Compliance with Customs Requirements,
- Satisfactory System for Management of Commercial Records,
- Financial Viability, and
- Consultation, Co-operation and Communication
- Education, Training and Awareness
- Information Exchange, Access and Confidentiality
- Security (cargo, conveyances, premises, personnel and trade partners),
- Crisis Management and Incident Recovery
- Measurement, Analysis and Improvement
- Any Economic Actor in the international supply chain (e.g. manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors and freight forwarders
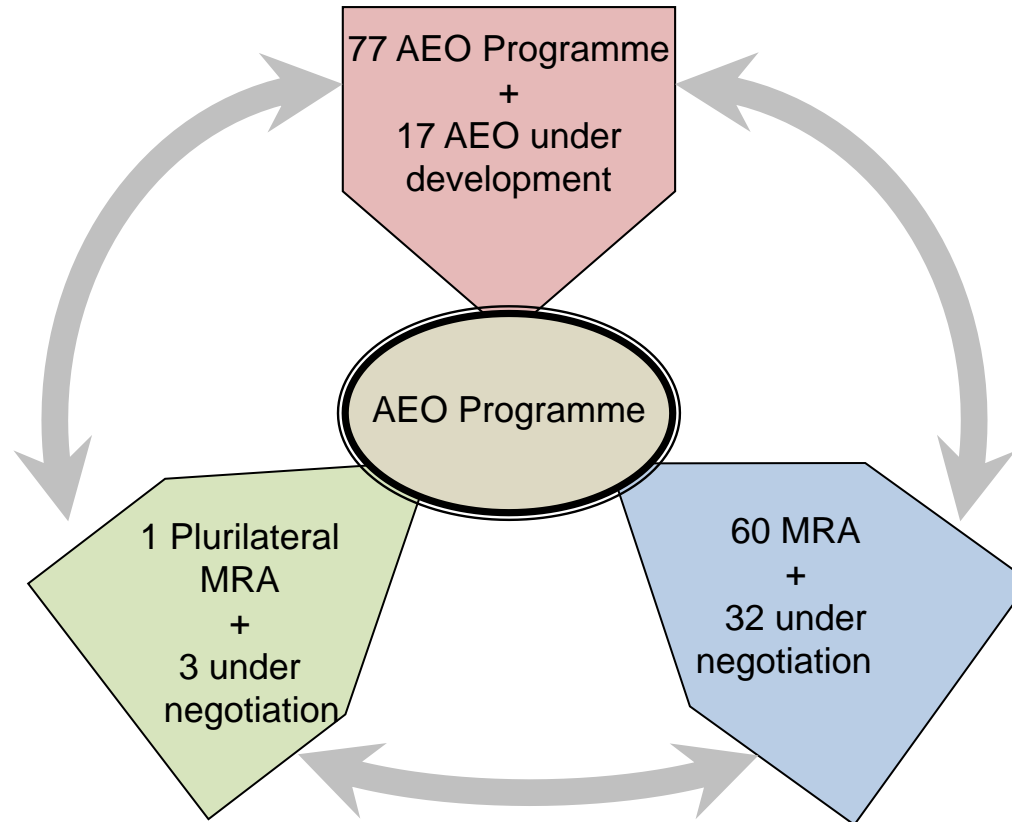
WCO AEO Benefits

Precision, Speed, Predictability, Market Access:

- Competitive advantages provided to AEO companies,
- Increased improvement of efficiency of company's internal processes,
- To be reliable partners for Customs,
- Reduction of number of controls and time needed for clearance,
- Direct benefits from other countries in case of MRA
- Certification/logo as reliable, predictable and consistent partner
- Insurance in case of incident or terrorist act Crisis Management and Incident Recovery

Global View
AEO Implementation

77 AEO Programme
+
17 AEO under development

AEO Programme

1 Plurilateral MRA
+
3 under negotiation

60 MRA
+
32 under negotiation

Global View
Compliance Programme Implementation

31 Operational Compliance Programme

Compliance Programme

2 Compliance Programme to be launched

Global View Implementation
What is the difference with the WCO AEO compared with Compliance Programme and WTO TFA Authorised Operator?

WCO AEO requires (among others) both security requirements and appropriate record of compliance
- a system of managing records to allow for necessary internal controls;
- financial solvency, including, where appropriate, provision of a sufficient security or guarantee; and
- supply chain security.

Compliance Programme security requirements such as those prescribed in Annex IV of the SAFE 2015 are not specifically included in a Compliance programme
- Compliance programme may not have common specified criteria and standards

Authorised Operator, the focus is on trade compliance and supply chain security may be one of the component, while AEO must always comply with a range of security standards
- Specified criteria not mandatory- varied models of the scheme,the Authorized Operator (AO) could be an
- Authorized Person (AP) of the Revised Kyoto Convention and/or
- Authorized Economic Operator (AEO)

Global View Implementation
What is the difference with the WCO AEO compared with Compliance Programme and WTO TFA Authorised Operator (continuation)?

SAFE AEO is more comprehensive

- SAFE AEO has one single definition
- A more standardized and structured approach
- SAFE AEO has one single definition
- A much wider dimension
- Seamless Mutual Recognition Agreements
- If a Member successfully implements SAFE AEO, it complies with WTO TFA AO
- Stepping stone approach

What is new in AEO and MRA?

- AEO Validator Guide
- AEO Validator Training Modules
- Mutual Recognition Arrangement/Agreement (MRA) Strategy Guide
- MRA Implementation Guidance
- Advance Cargo Information (ACI) Implementation Guidance
- Updated Integrated Supply Chain Management Guidelines
- Recommendation and Guidelines on Trader Identification Number (TIN)
- Handbook on Data Analysis
- Frequently Asked Questions (FAQ) on linkages between the SAFE AEO Programme and Article 7.7 of the WTO TFA

SAFE FoS 2018

What's new in AEO &MRA ?

Advance electronic data requirements for Post

Cooperation with other government agencies entrusted with regulatory authorities over weapons, hazardous materials, passenger control

Harmonization of data filing requirements and Single Window concept forinteragency cooperation

Comprehensive list of AEO benefits

Linkages between AEO Programme and Authorized Operators of Article 7.7 of the WTO TFA

A number of new and updated tools

Lessons Learned & Way Forward

Harmonised implementation of all three Pillars

Involvement of OGAs in the design and implementation of AEO programme

Harmonization with other security programmes

Expansion of AEO programme to E-Commerce stakeholders

Effective security validation

Regional/plurilateral approach to AEO programmes and MRAs

WTO TF Article 7.7vs WCO AEO

Recognition of AEO status of service providers in MRAs

Thank you for your attention!

For further details :

SAFE Package 2018
http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/safe_package.aspx