



PRACTICAL SOLUTIONS FOR THE COMPLEX WORLD OF INTERNATIONAL TRADE

AUTHORISED ECONOMIC OPERATOR (AEO) PROGRAMS IN ASIA

THE GLOBAL TREND

The US Customs-Trade Partnership Against Terrorism (C-TPAT) was the first voluntary supply chain security program to be introduced by a national Customs authority in the wake of 9/11. The World Customs Organisation (WCO) published its SAFE Framework of Standards in 2005 to encourage its 174 member countries to develop similar programs. The EU AEO program commenced in 2007.

The essence of these programs is that companies which demonstrate compliance with recognized security (and in some cases, customs compliance) standards and undergo a validation process, are certified as secure traders and qualify for a number of trade facilitation benefits such as simplified clearance procedures and fewer examinations.

The number of countries implementing AEO programs is rapidly expanding. Many are moving towards mutual recognition of each others' programs so certification of a company in one of the Asian countries' programs can be a path to recognition under the US, EU or other regional programs.

Many large multinational corporations have already become certified under a number of these programs. As these are end-to-end supply chain security measures, MNCs are increasingly requiring their suppliers and logistics providers to participate in the programs and AEO certification will soon become the preferred basis for conducting international trade.



TTA OFFERING

TTA can assist you to effectively achieve each of these requirements and facilitate efficient qualification for AEO status. We offer

- ➔ A team of seasoned trade professionals around the world
- ➔ Deep experience with the technical requirements of most AEO programs, including the self-assessment, documentation and validation phases
- ➔ High level contacts within Customs administrations and World Customs Organization, providing us with a unique ability to assist you in achieving certified status

AEO PROGRAMS IN THE ASIA-PACIFIC REGION: COMMON REQUIREMENTS

In addition to the programs outlined in more detail on the reverse, Australia, China, India, Mauritius, New Zealand, the Philippines and Vietnam also have existing or pilot programs under way.

Each country's program applies different emphasis and priority to the actions deemed to qualify for AEO status but there are common requirements:

- Self-assessment of the company's processes against the program criteria
- Documentation of policies to show compliance
- Lodgement of a formal application with Customs
- A formal validation (including a site visit) by Customs
- Ongoing internal training, reviews and audits





EFFICIENT COMPLIANCE AND SECURITY FOR YOUR GLOBAL SUPPLY CHAIN



JAPAN AEO

Japan's AEO program went live in 2007. It consists of sub-programs to authorize importers, exporters, warehouse operators, customs brokers and logistics operators.

For importers, the benefits include:

- ▶ Reduced examination and inspection
- ▶ Pre-arrival lodgement of import declaration and permission
- ▶ Release of cargo before duty/tax declaration and payment

- ▶ Period lodgement of duty/tax payment declarations

Eligibility requirements include:

- ▶ Appropriate compliance records
- ▶ Capability to use the Nippon Automated Customs Clearance System (NACCS) for Customs procedures
- ▶ Capability to securely control cargo and conduct customs procedures properly
- ▶ Establishment of a Compliance Program (including security standards)

The Compliance Program must address:

- ▶ Organizational Set-up
- ▶ Contracting Parties (Business Partners) Requirements
- ▶ Cargo/Conveyance/Premises Security
- ▶ Proper Customs Procedures
- ▶ Consultation/Cooperation/Communication with Customs
- ▶ Crisis Management
- ▶ Education/Training
- ▶ Internal Audit



MALAYSIA CGC

Eligibility for Malaysia's Customs Golden Client program extends to trading companies, international procurement centers, regional distribution centers, licensed manufacturing warehouses, operators in Free Trade Zones and approved AEOs under other countries' programs.

The benefits include:

- ▶ Secured system access via the internet

- ▶ Automated on-line customs clearance with minimum data and simplified customs process
- ▶ Green lane clearance – NO WAITING
- ▶ Efficient under bond movement between licensed premises
- ▶ Post clearance accounting
- ▶ Deferred duty payment
- ▶ Simplified drawback claims based on self-accounting

Eligibility requirements include:

- ▶ Demonstrated compliance with

customs legal requirements

- ▶ Three year record clear of customs offenses or license breaches
- ▶ No tax arrears
- ▶ Accounting system to reflect Generally Accepted Accounting Principles
- ▶ Maintenance of a proper audit trail for imports, exports and movement of goods
- ▶ Signing a Memorandum of Agreement with Customs and paying a bond
- ▶ Ability to pay duties by EFT



SINGAPORE STP

Singapore's Secure Trade Partnership is open to manufacturers/suppliers, warehouse operators and owners, transporters, terminal operators, sea and airfreight operators.

Under the STP Guidelines, companies are required to:

- ▶ Have security management systems
- ▶ Conduct risk assessments of their business operations
- ▶ Implement supply-chain-security measures set out in STP Guidelines

The security management system is required to develop, document, implement, maintain and review the company's supply chain security measures and practices. The risk assessment must be tuned to the specific risks associated with the particular category of operator and the company must seek to mitigate the risks and vulnerabilities of its operations within the supply chain.

A company must address 8 elements under the STP Security Guidelines:

- ▶ Premise security and access controls
- ▶ Personnel security
- ▶ Business partner security
- ▶ Cargo security
- ▶ Conveyance security
- ▶ Information and Information Technology (IT) security
- ▶ Incident management and investigations
- ▶ Crisis management and incident recovery

