



Session 7: Survey Results Discussion

National Workshop on the Enhancement and Sustainability of the Authorized Economic Operators (AEO) Program in CAREC

13-14 August 2024, Astana, Kazakhstan

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Section A: Methodology

A questionnaire was provided to State Revenue Committee to understand the level of digitalization, legal and technical infrastructures in place, which supports the AEO program.

The survey maps their AEO system, if any, with the 2021 WCO SAFE standards.

As reflected in the assessment report, majority of CAREC countries requested technical assistance in the following areas:

- Post validation procedures of security measures and supply chain security best practices, including on-site validation procedure, if necessary
- Raising awareness campaign within Customs
- Security and Compliance Requirements
- Post Authorization Audit, Suspension and Revocation
- Basic concepts of the AEO program
- Customs-Business Partnership and Customs-Trade Regulators (PGAs) partnership in extending the AEO benefits.
- Outreach with PGAs and Trading Community
- AEO Scheme for E-Commerce Shipment Actors and SMEs

Section A: Data Collection

Data collection for this survey are through the following:

- desk research of relevant materials and information
- completed surveys that were distributed to targeted respondents in coordination with the ADB AEO team and State Revenue Committee



Section B: About the Survey Questionnaire

- The questions were more about the current processes, awareness, and challenges that the SRC face in developing / managing their AEO program, including compliance with the 2021 SAFE Framework
- For continuity, the completed questionnaire (1 August 2023) provided by **Mr. Zhandos Sekenov**, Deputy Head of the Customs Operations Department, was included as part of the appendix.
- Some questions from the August 2023 survey were asked again to allow the SRC to update their responses in line with the thematic areas of this survey questionnaire.

Section C: Summary of the August 2023 Survey

- There is a senior-level support and buy-in to ensure continued support and necessary funding for its development, implementation, and maintenance.
- Outreach programs that were ticked to support the implementation of the AEO program:
 - Training about the AEO Program, such as the essential legal areas, self-assessment questionnaire, "application, verification and authorization" procedures, security and compliance requirements
 - The synergy between the AEO Program and Single Window system
 - The synergy between the AEO Program and the Integrated Risk Management

Section C: Summary of the August 2023 Survey

- There is an interest to join the AEO program pilot project with any other CAREC member country
- Date of launch was 30 June 2010
- There were three (3) certified freight forwarders, five (5) manufacturers and sixteen (16) carriers.
- The Committee is working on the mutual recognition of the AEO of the Republic of Kazakhstan with such countries as the People's Republic of China (hereinafter - the PRC), the Republic of Korea and the Republic of Turkey. On April 22, 2019, a Memorandum was signed with the Customs Service of the Republic of Korea (in Nur-Sultan) and on April 26, 2019, a Memorandum was signed with the GCD of China (in Beijing)

Section C: Summary of the August 2023 Survey

- The paperless trade measures that are already in place supporting the AEO program are:
 - Electronic submission of customs declarations by the traders
 - Electronic application and issuance of Import/Export Permit, Certificates, Licenses
 - Electronic Single Window platform (TFA Article 10.4)
- More than 100 events (round tables, workshops, webinars) were held on the following topics:
 - The advantage of the AEO institute
 - Development of the AEO Institute
 - The procedure for inclusion in the AEO registry

Section D: Survey Results Discussion

Date	July 27, 2024
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Phone Number (optional)	

Section D: Survey Results Discussion

- The Customs Control, Public Services, Audit and Analysis, Statistics and Risk Management Departments are involved in managing the AEO program. Further, appropriate staff are identified, dedicated, and sufficiently trained.
- There are now 29 trusted partners (5 manufacturers and 24 logistics actors)
- The state service "Inclusion in the AEO Register" is automated by the "Single Window" information system.
- There is an interest to develop the operations manual which will cover digital data governance, how to negotiate MRAs and how to use the AEO management portal.

Section D: Survey Results Discussion

- AEO pre-screening / application can easily be downloaded from their AEO website.
- The self-assessment questionnaire covers the following sections:
 - General Company Information; Information on the legal entity applying for the AEO status
 - Demonstrated Compliance with Customs Requirements
 - Satisfactory System for Management of Commercial Records (e.g., accounting and logistical system)
 - Financial Viability; Cargo Security (e.g., inspection of cargo conveyance, container seals)
 - Conveyance Security; Premises Security; Personnel Security and Information Security

Section E: Mapping AEO program vs. 2021 SAFE

- Assess the compliance with the 2021 WCO SAFE Framework
- Establish a voluntary certification program, initially for selected economic operators, consistent and aligned with international best practices. It will be administered by the Customs Authority to help certain economic operators in the international supply chain adopt acceptable control measures to enhance the security of such chain
- Enhance Customs-Business, Customs-Customs and Customs-PGA partnerships on trade security and trade facilitation based on trust and mutual respect
- Establish accreditation procedures that offer certain benefits and incentives to certain economic operators considered as trusted allies

Pillar 1 Customs-Customs Partnership

SAFE Framework of Standards	Validating the AEO Program	Complied
Standard 1 - Integrated Supply Chain Management	Based on the integrated Customs control procedures as outlined in the WCO Customs Guidelines on Integrated Supply Chain Management	Yes
Standard 2 – Cargo Inspection Authority	The Customs administration is the authority in inspecting cargo originating, exiting, transiting (including remaining on board), or being transshipped through a country	Yes
Standard 3 – Modern Technology in Inspection Equipment		-
Standard 4 – Risk Management Systems		-
Standard 5 – Selectivity, profiling and targeting	Customs should use sophisticated methods to identify and target potentially high-risk cargo, including - but not limited to - advance electronic information about cargo shipments to and from a country before they depart or arrive	Yes
Standard 6 – Advance Electronic Information	Article 31 of the Code of the Republic of Kazakhstan “On Customs Regulation in the RK”	Yes

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Pillar 1 Customs-Customs Partnership

SAFE Framework of Standards	Validating the AEO Program	Complied
Standard 7 – Targeting and Communication		-
Standard 8 – Performance Measures	Customs developed statistical reports that contain performance measures	Yes
Standard 9 – Security Assessments	Article 402 of the Code of the Republic of Kazakhstan “On Customs Regulation in the RK”	Yes
Standard 10 – Employee Integrity	Established programs to prevent lapses in employee integrity and to identify and combat breaches in integrity to the extent possible	Yes
Standard 11 - Outbound Security Inspections	The Customs administration conducts outbound security inspection of high- risk cargo and/or transport conveyances at the reasonable request of the importing country	Yes

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Pillar 2 Customs-Business Partnership

SAFE Framework of Standards	Validating the AEO Program	Complied
Standard 1 - Partnership	AEOs involved in the international trade supply chain will engage in a self-assessment process measured against pre-determined security standards and best practices to ensure that their internal policies and procedures provide adequate safeguards	-
Standard 2 – Security	Authorized Economic Operators will incorporate pre-determined security best practices into their existing business practices.	Yes
Standard 3 – Authorization		-
Standard 4 – Technology		-
Standard 5 – Communication	The Customs administration will regularly update Customs-Business partnership programs to promote minimum security standards and supply chain security best practices	Yes
Standard 6 – Facilitation	Article 543 of the Code of the RK “On Customs Regulation in the RK” (hereinafter – the Code) Interaction between customs authorities and authorized economic operators	Yes

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Pillar 3 Customs-PGA Partnership

SAFE Framework of Standards	Validating the AEO Program	Complied
Standard 1 - Mutual Co-operation between Customs and PGAs	Article 402 of the Code of the RK "On Customs Regulation in the RK"	Yes
Standard 2 – Cooperative Arrangement / Procedures	Article 402 of the Code of the RK "On Customs Regulation in the RK"	Yes
Standard 3 – Alignment of Security Programs	Article 402 of the Code of the RK "On Customs Regulation in the RK" and Article 529 of the Code 7. In accordance with international treaties of the Eurasian Economic Union with a third party, individual special simplifications provided for in Article 536 of this Code may be granted on a reciprocal basis to authorized economic operators of states that are not members of the Eurasian Economic Union.	Yes
Standard 4 - Harmonization of National Control Measures	Article 402 of the Code of the RK "On Customs Regulation in the RK"	Yes

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Pillar 3 Customs-PGA Partnership

SAFE Framework of Standards	Validating the AEO Program	Complied
Standard 5 – Development of Continuity and Resumptions		-
Standard 6 – Harmonization of Data Filing Requirements	Joint Order "On approval of the procedure for interaction of government bodies at border crossing points when performing customs operations related to customs declaration, customs clearance, release of goods and completion of the customs procedure of customs transit", MoF of the RK, No. 976, MoH of the RK, No. 565	Yes
Standard 7 – Mutual Cooperation	The EAEU Customs Code	Yes
Standard 8 – Development of Cooperative Arrangements	The EAEU Customs Code	Yes
Standard 9 – Harmonization of Security Programs		-

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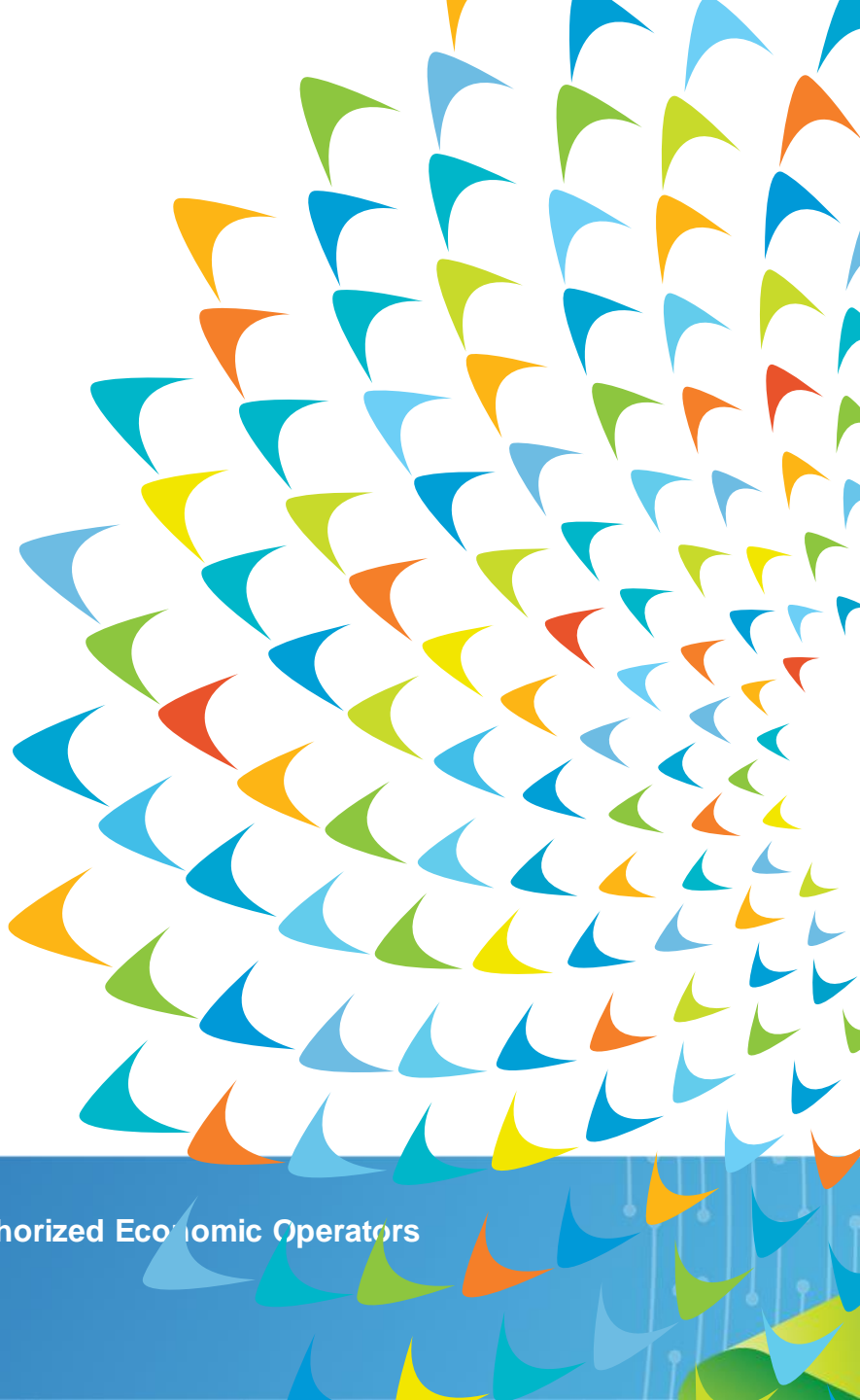
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Recommendations

- Optimize the uptake of the AEO program
- Capacity building activities for the Customs AEO team to comply with the 2021 WCO SAFE Framework standards on the alignment of security measures, harmonization of national control measures, business continuity, harmonization of data filing requirement.
- Continue developing training modules for AEO validation, alignment of security modules and business continuity
- Technical support in completing the AEO Operations Manual



Thank you



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