



National Workshop on the Enhancement and Sustainability of the Authorized Economic Operators' Program in CAREC: Training of Trainers

SUPPORT TO MUTUAL RECOGNITION NEGOTIATIONS

13-14 August 2024, Astana, Kazakhstan

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POINTS OF DISCUSSION

**OVERVIEW OF AEO
PHILIPPINES**

**ASEAN AEO MUTUAL
RECOGNITION
ARRANGEMENT**

**LESSONS
LEARNED**

OVERVIEW OF THE





Date Launched:
December 2, 2019



Program Components:

- Covers all supply chain entities but pilot implementation only for **importers and exporters**
- Certification has **no expiration**, except upon revocation



Accreditation Process:

1. Pre-Screening
2. Level 1 (90 days from receipt)
3. Level 2 (one year from Level 1 accreditation)



Benefits:

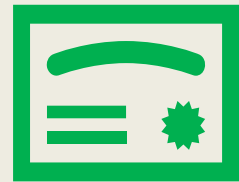
- **Level 1:**
 1. Exemption from Renewal of Accreditation
 2. Dedicated Help Desk
 3. Acceptance of Self-Assessment Declaration
- **Level 2:**
 1. Dedicated Processing Lane
 2. Expedited Clearance for Exports for MRA partner countries
- **Level 3:** To be determined





Evaluation Process:

1. Submit documents via AEO Online Portal
2. Document Evaluation
3. On-line Validation
4. On-Site Inspection
5. Deliberation of AEO Committee
6. Issuance of Certificate of Accreditation



No. of AEO Companies:

- Level 1 – one (1)
- Level 2 – three (3)

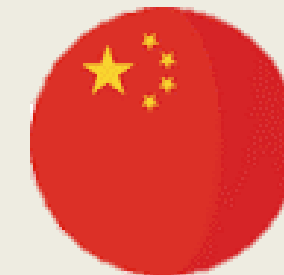


TOYOTA



No. of MRAs:

- **Signed** – ASEAN, China
- **On-going Negotiation** – Hong Kong, India





ASEAN AEO MUTUAL RECOGNITION ARRANGEMENT

BACKGROUND

Basis:

Article 59 of the ASEAN Trade in Goods Agreement (ATIGA), provides that ASEAN member states shall:

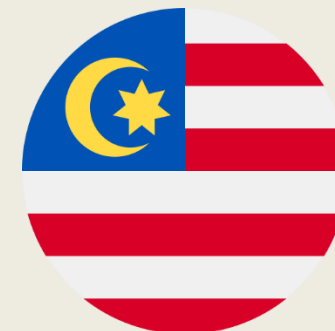
1. Endeavour to establish the programme of Authorised Economic Operators (AEO); and
2. Further, work towards mutual recognition of AEO.

AEO-MRA among AMS aims to potentially reduce regulatory burden on international trade

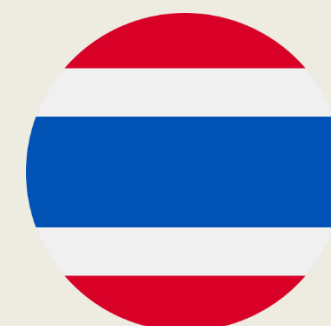
AEO Implementation per ASEAN Member State



Singapore
2008



Malaysia
2010



Thailand
2011



Vietnam
2013



Cambodia
2023



Indonesia
2015



Brunei
Darussalam
2017



Philippines
2019

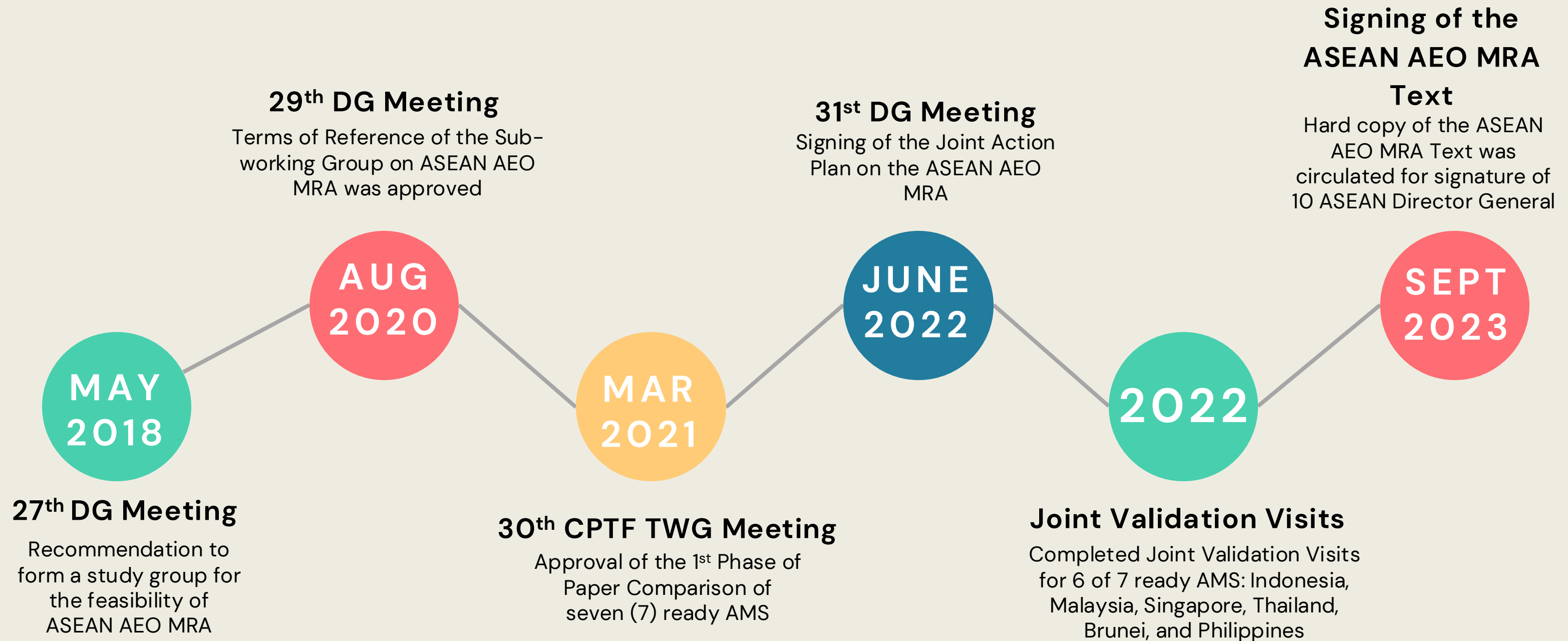


Lao PDR
2019

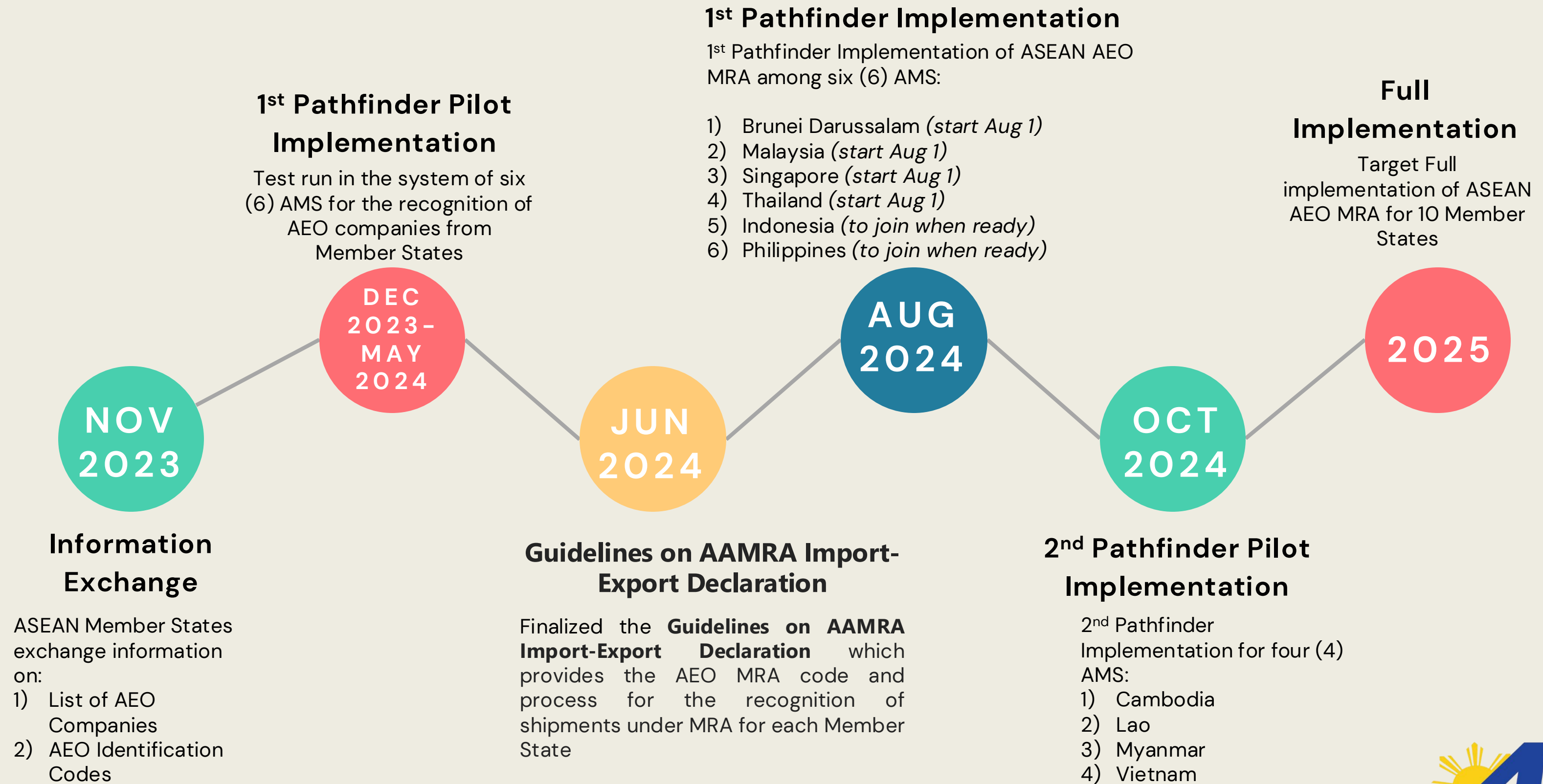


Myanmar
2022

TIMELINE OF ASEAN AEO MRA



TIMELINE OF ASEAN AEO MRA





Indonesia (5-6 July 2022)



Brunei Darussalam (12-13 October 2022)



Philippines (14-15 December 2022)

Joint Validation Visits



Thailand (8-9 August 2022)



Malaysia (17-18 August 2022)



JOINT VALIDATION EXPERIENCE

LESSONS LEARNED

WHAT TO PREPARE:

01 – PAPER COMPARISON

- WCO SAFE Framework Criteria Template
- Negotiating Countries to fill-out the paper comparison form to indicate respective compliance to each AEO criteria

02 – JOINT VALIDATION

- Joint Validation Assessment Template which provides the criteria to be reviewed by visiting country
- Identify subject company and provide agenda
- Other Logistical arrangements (flights, etc)

03 – MRA TEXT SIGNING

- Determine domestic clearance procedure for signing of MRA Text such as clearance with Department of Finance, Department of Foreign Affairs and Office of the President when applicable
- Agree on the mode and timeline of signing

WHAT TO PREPARE:

04 — IMPLEMENTATION PREPARATIONS

- Information Exchange Template which usually have the list of AEO Companies, validation, AEO Code
- System and domestic guidelines on recognition of MRA exports from AEO companies should be ready

05 — PILOT IMPLEMENTATION

- Notify AEO companies on the start of pilot implementation with the purpose of testing the recognition system of partner country
- Record statistics of exchange and issues encountered for system/procedure adjustment

06 — FULL IMPLEMENTATION

- Partner countries notify and agree on readiness to fully implement MRA
- Public Announcement on the start of full implementation
- Evaluation and review of implementation through statistics

SAMPLE JV TEMPLATE

AAMRA: 2ND JOINT AEO VALIDATION ASSESSMENT
PHILIPPINES (14 – 15 DECEMBER 2022)

S/NO	HOSTING AMS' VALIDATION PROCESS ON SITE (COMPANY PREMISES)	WCO SAFE FoS INFORMATION /CRITERIA		AREAS DONE WELL (If any)	AREAS FOR IMPROVEMENT (If any)
		WHETHER WCO SAFE FoS COMPLIANT	YES / NO		
Desk/On-site Validation (Companies' Premises)					
1.	Demonstrated Compliance with customs and/or excise regulations	Corresponds to Corporate Policy ◦ Security Policy Statement	YES		BOC is in the process of arranging the inter-agency coordination of AEO Assessments
		Compliance history with Customs and other relevant government authorities.	YES		
		Criminal records of key personnel.	YES		
		Trade Compliance Policy Statement.	YES		
		Company directors to declare offences related to trade security, trade regulation, money laundering and terrorism financing.	YES		
2.	Satisfactory System for Management of Commercial Record	Corresponds to Information Management ◦ Information Management ◦ System Security ◦ Permit Declaration	YES	BOC's Validation Team includes an IT Expert to look into the information and management security of the AEO Applicant	
		Communication of pertinent security management information	YES		

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		WHETHER WCO SAFE FoS COMPLIANT	YES / NO		
		to relevant employees and other stakeholders			
		Record keeping of import and export information/commercial records	YES		
3.	Cargo Security	Corresponds to Information Management ◦ Permit Declaration	YES		
		Corresponds to Cargo Security ◦ Cargo Receiving ◦ Cargo Discrepancy Handling	YES		
		Corresponds to Container Security ◦ Container Storage & inspection ◦ Container Seal Management ◦ Container Seal Types	YES		
		Procedures to maintain the integrity of cargo	YES		
		SOP/Procedures to keep and protect the documents used in the movement and clearance of cargo	YES		

SAMPLE JV TEMPLATE

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		WHETHER WCO SAFE FoS COMPLIANT	YES / NO		
		SOP/Procedure to check/verify cargo during receipt or release	YES		
		Signature and stamp policies for critical process handover points	YES		
		Container inspection – seven-point inspection	YES		
		SOP to control and check container seals	YES		
		Storage of containers and cargo in secure area	YES		
4.	Conveyance Security	Corresponds to Conveyance Security <ul style="list-style-type: none"> Conveyance Storage & Inspection Tracking and Monitoring of Conveyance Drivers' Guide 	YES	BOC includes the third party logistics providers in its evaluation security	
5.	Premises Security	Corresponds to Premises Security & Access Control <ul style="list-style-type: none"> Security Personnel 	YES	AEO A retain for a n	

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		WHETHER WCO SAFE FoS COMPLIANT	YES / NO	
		<ul style="list-style-type: none"> Perimeter Fencing Positive Identification for Visitors, Contractors & Drivers Access Controls for Visitors & Contractors Parking Locking Devices & Key Controls Internal Demarcation Lighting at Critical Areas Intrusion Detection Systems Video Surveillance Cameras Employee Identification Challenging and Reporting Unauthorised Persons Access Control to Secured Server 		but are enclosed retention per
6.	Crisis Management and Incident Recovery	Corresponds to Security Risk Assessment and Incident Management <ul style="list-style-type: none"> Security Risk Assessment Incident Handling & Reporting Emergency Plans Business Continuity Plan (BCP) 	YES	Contingency and Emergency Plans are mandatory requirements under Philippine laws.

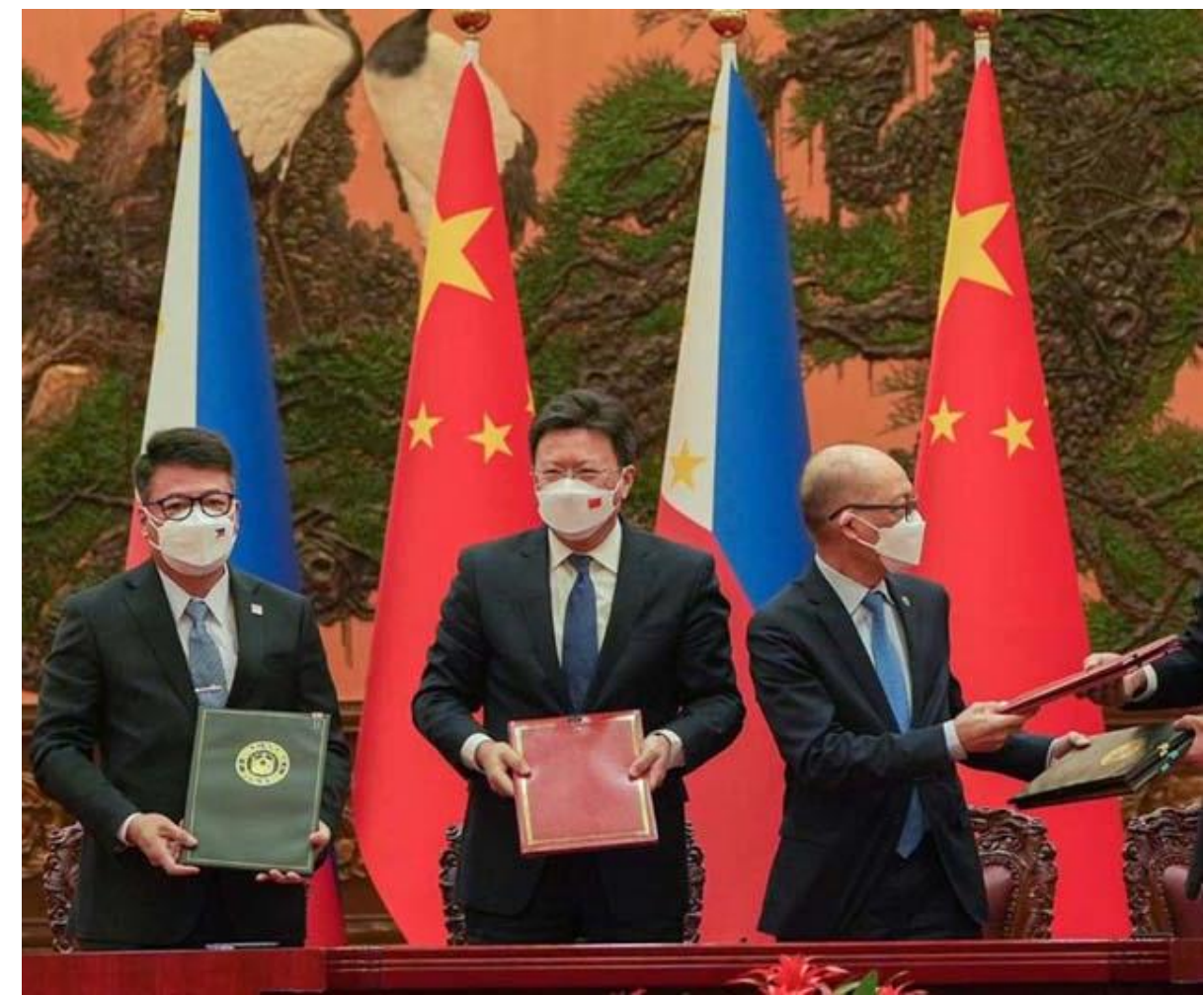
Meeting at Office

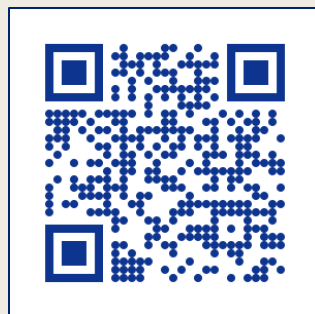
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		WHETHER WCO SAFE FoS COMPLIANT	YES / NO		
7.	Issues highlighted by visiting AMS with company and hosting AMS				The AMS Visiting Team noted the international security standards of the Coca Cola Beverages Philippines, Inc. (CCBPI), based on the parent company guidelines, which is a New York Stock Exchange listed company. CCBPI likewise employs environmental guidelines (water treatment facilities and recycling procedures for their bottles) which may be an example for other companies.
8.	Information about AEO development in hosting AMS				The BOC has accredited three companies, namely Toyota Motors Philippines Corp. (TMPC), Panasonic Manufacturing Philippines, Corp. (PMPC), and CCBPI as Level 1 AEO Companies. TMPC and PMPC are currently under re-validation in preparation for their Level 2 Accreditation. As of date, the BOC is evaluating five (5) AEO Applicants. Attached herewith is the BOC AEO Presentation.  AEO Overview Presentation for SW BOC is considering the guidelines and benefits to be issued to Level 3 AEO companies, upon future satisfactory assessment of Level 2 companies. Some considerations include the exemplary security aspect of the company and the environmental contributions, as well as the engagement of all the supply chain AEO partners.
9.	Any other information/ observations on hosting AMS AEO procedures				BOC's AEO accreditation of Level 2 companies would be re-validated within the three-year period. All AEO companies are being monitored annually on the documentary requirements compliance as mandated by existing laws, rules, and regulations of the Philippines.



ASEAN Authorised Economic Operator Mutual Recognition Arrangement (AEO MRA) – On-site AEO Joint Validation on Thailand's AEO Programme





To know more, visit:

<https://customs.gov.ph/aeo-philippines/>