



**Asia-Pacific  
Economic Cooperation**

**Advancing** Free Trade  
for Asia-Pacific **Prosperity**

# **Manual of Best Practices According to the AEO Benefits Survey Under Pillar 3 WCO SAFE Framework**

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## **Executive Summary**

This study focuses on the cooperation between customs and other government agencies (OGAs) in achieving a balance between trade facilitation and trade security control. The purpose for customs to establish the Authorized Economic Operator Program (AEO) program is to strive for more facilitation in the rapidly changing digital era for enterprises that meet the AEO standard, attract more enterprises to apply for AEO certification, and make trade more convenient.

This study is a self-funded output of the APEC-Funded Project SCCP 01 2019A with Chile and is based on a survey in which 19 out of the 21 APEC economies participated. The customs authorities of APEC member economies have made great progress in promoting cooperation with OGAs. However, there are some difficulties for OGAs to provide benefits to AEOs. First, AEO certifications are based on AEO criteria set by customs, while OGAs are bound to other laws and regulations. Secondly, it is challenging to find the right balance between trade facilitation and trade security control.

The questionnaire survey of APEC member economies shows that, as far as cooperation matters are concerned, the following areas are where customs authorities have had the most cooperation from OGAs: (1) cross-border supply chain security mutual cooperation, (2) harmonizing the supply chain security control measures and security program requirements, and (3) the establishment, promotion and adoption of a single-window environment.

The OGA practices that provide major benefits to AEOs are first and foremost: (1) recognizing the contribution of AEO standards in simplifying their work and eliminating duplication and re-examination, accounting for 38% of all practices, followed by (2) reducing the number of physical export inspections and priority treatments or reductions in fees for permits and authorizations, accounting for 34% of all practices, and (3) other policy support, etc., accounting for 29% of all practices.

In general, the customs authorities of APEC member economies promote cooperation with OGAs, and their attitudes are more positive than previous studies have indicated. Customs authorities focus not only on the implementation of the AEO program itself, but also on the implementation of cooperation in line with WCO SAFE Pillar 3, such as communication between programs, sharing information, reorganizing government organizations, import and export risk management, and the signing of cooperation memorandums.

Based on the achievements of APEC member economies' customs promotion cooperation with OGAs, this study proposes a Best Practices Manual for AEO programs based on Pillar 3 of the SAFE Framework. The purpose of this Best Practices Manual is to help economies deal with the challenges of digital trade and supply chain security brought about by the rise of e-commerce and supply chain restructuring in international trade. The main task of members' AEO program in the future is to implement existing practices, further expand its scope of application and incorporate OGAs' risk standards. This study proposes that APEC member economies can expand the four best practices for promoting AEO programs, namely, improving cooperation between customs authorities and OGAs, increasing the types of AEO certification, promoting AEO compliance standards for cross-border e-commerce, and implementing more AEO benefits.

This study and IDB's 2020 [AEO in APEC Economies](#) report have identified the inclusion of Small and Medium Enterprise (SME) participation and OGAs' collaborative participation as top priority for promoting the AEO program, and these are also areas where APEC needs to allocate more efforts and resources.

In terms of the collaborative participation of OGAs, this study puts forward the following recommendations:

**Recommendation 1:** Leverage the AEO program as a bridge for OGAs to participate in supply chain security and facilitation;

**Recommendation 2:** Strengthen the coordination between customs authorities and OGAs;

**Recommendation 3:** Continue to accumulate and share best practices for Pillar 3 of the SAFE Framework;

**Recommendation 4:** Create more concrete AEO benefits for companies;

**Recommendation 5:** Establish certification requirements for cross-border e-commerce.

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## **I. Background**

### **I.1 WCO SAFE Framework<sup>1</sup>**

Following the events of 9/11 the World Customs Organization (WCO) developed a framework of cross-border security standards for customs authorities with the objective of improving the security of the international supply chain across all modes of transport and without impeding the flow of legitimate trade.<sup>2</sup>

In June 2005, WCO Members adopted the SAFE Framework of Standards to Secure and Facilitate Global Trade. This unique international instrument ushered in modern supply chain security standards and heralded the beginning of a new approach to the end-to-end management of goods moving across borders while recognizing the significance of a closer partnership between customs authorities and businesses. However, the forces of globalization, innovation and technological change continue to drive huge changes in the global supply chain. The SAFE Framework has since been regularly updated to effectively address new and emerging developments in the international supply chain.

Up until June 2015, the WCO recognized the potential detrimental impact of omitting Other Government Agencies (OGAs) from the Authorized Economic Operator (AEO) process, and so the SAFE Framework was revised to add Pillar 3. The main purpose of Pillar 3 was to encourage government agencies to cooperate with Customs in the area of supply chain security. These collaborations were to ensure that the government response to the challenges of supply chain security was both efficient and effective. This would be achieved by avoiding the duplication of requirements and inspections, streamlining processes, and ultimately working toward global standards that would secure the movement of goods in a way that facilitated trade.

The WCO SAFE Framework was updated in 2018. The 2018 version of the SAFE Framework of Standards (FoS) calls for enhanced cooperation with government agencies entrusted with regulatory authority over certain goods and passengers, as well as entities responsible for postal issues.

### **I.2 APEC Framework for Secure Trade**

APEC has been promoting the concept of AEO since it launched the second Trade Facilitation Action Plan II (TFAP II) in 2005. The WTO Trade Facilitation Agreement

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<sup>1</sup> World Customs Organization, Safe Framework of Standards, 2018.

<sup>2</sup> Organization for Security and Co-operation in Europe and United Nations Economic Commission for Europe, Handbook of Best Practices at Border Crossings – A Trade and Transport Facilitation Perspective, 2012.

(TFA)<sup>3</sup> does not replace the SAFE Framework, but the simultaneous implementation of the TFA and SAFE Framework enables member economies to enjoy trade facilitation and security at the same time.

In 2005, the APEC Customs Procedures Sub-Committee (SCCP) added the “implementation of the APEC Framework for Secure Trade based on the World Customs Organization’s SAFE Framework of Standards for Ensuring and Promoting Global Trade” to its work plan. The SAFE Framework introduced the concept of AEO. The SAFE Framework initially had two pillars: Pillar one being “Customs-to-Customs Network Arrangements” and Pillar two “Customs-to-Business Partnerships”. SCCP subsequently established the AEO Working Group in 2009 and the “[Authorized Economic Operator Compendium](#)” was completed in 2010.

### **I.3 APEC studies on customs-OGAs cooperation in supply chain security<sup>4</sup>**

For the purpose of updating the APEC Authorized Economic Operator Compendium, the APEC Policy Support Unit signed a contract with Nathan Associates in 2015 to study the best practices of the AEO program within APEC. The study also launched a survey of member economies’ AEO programs. In this survey, other government agencies were asked the following questions: (1) Did Customs consult with other government agencies to develop and implement AEO programs? (2) Did Customs solicit input from other government agencies when determining AEO benefits? (3) How does Customs view its relationship with other government agencies with regard to the AEO program? (4) What are some of the lessons learnt regarding the best practices based on the Customs’ experience of working with other government agencies while designing and implementing the AEO program? (5) Has Customs promoted the AEO program to other government agencies? What do the Customs see as being their biggest hurdle?

In its 2016 study report, the APEC Policy Support Unit found that although the Pillar 3 of the SAFE framework had only just been added at the time of writing, and member economies were still adopting the WCO recommendations, customs authorities had cooperated with OGAs on Pillar 3, which was a key indication that APEC had not widely implemented Pillar 3.

Many customs authorities pointed out in their replies that they unilaterally regarded the design of the AEO program as an internal customs issue and so did not

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<sup>3</sup> The TFA entered into force on 22 February 2017 after two-thirds of the WTO membership completed their domestic ratification process, [https://www.wto.org/english/tratop\\_e/tradfa\\_e/tradfa\\_e.htm](https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm).

<sup>4</sup> Calvin Chan & Robert Holler, Study of APEC Best Practices in Authorized Economic Operator (AEO) Programs, APEC Policy Support Unit, May 2016.



seek any support or cooperation from OGAs. About 76.5% of the respondents indicated that they had made some form of communication with OGAs regarding the AEO program, but when the customs authorities implemented the AEO program, the AEO promotion process had little to do with the OGAs. However, the study report pointed out that it is very important for the customs authorities to strengthen cooperation with OGAs. Establishing a clear communication method can ensure that a problem is solved at the beginning of the AEO promotion process through communication. Cooperation between customs authorities and OGAs can bring out the benefits of many simplified procedures, which are essential to ensure the realization of a streamlined and effective AEO program.

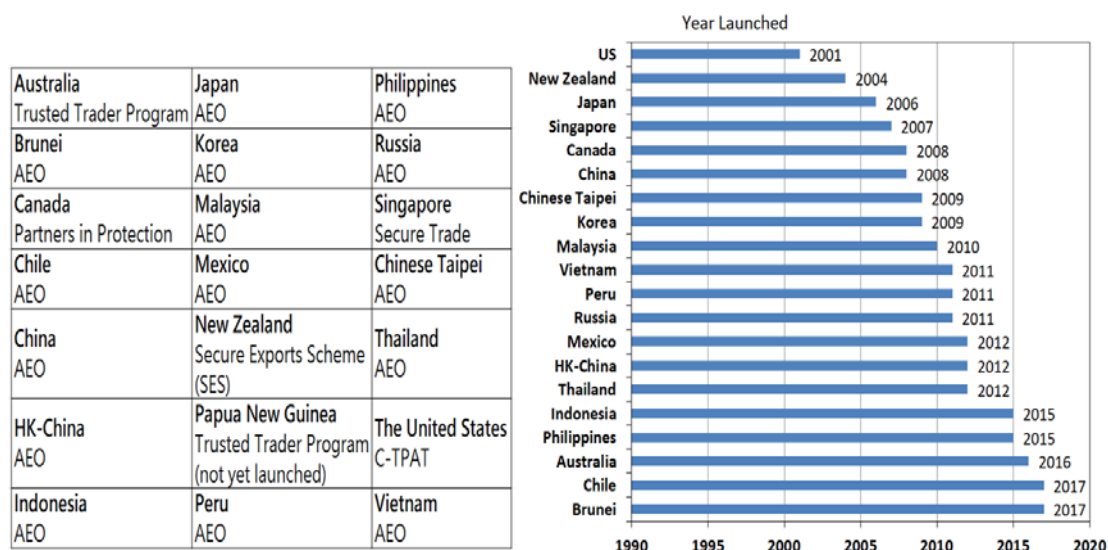
The APEC Policy Support Unit's study report also discusses the experiences of specific member economies. For example, (1) in Canada, certain goods receiving AEO benefits are regulated by OGAs through legislation. These hurdles require coordination to ensure that the requisite legal frameworks governing the AEO programs are workable; (2) In Chile, the customs authority was designated as the lead implementer of the program. Since OGAs have raised concerns, the current strategic plan is to incorporate OGAs into the program; (3) In Mexico, certain border agencies (including the Army and Navy) had raised objections during AEO implementation. Mexico eased these concerns through outreach to OGAs about AEOs and the benefits the program provided; (4) In the United States, Customs and Border Protection (CBP) did not solicit or take into account OGA input during the design and implementation of the AEO program. The original program focused on securing borders and was implemented unilaterally. However, the U.S. CBP recognized in retrospect that it should have created an all-encompassing trusted trader program and incorporated OGAs throughout the process. The U.S. CBP is now working with multiple OGAs towards achieving additional incentives for operators, and reducing redundancies for both the government and the private sector. (5) Australia consulted systematically with OGAs in developing and implementing an AEO program. Although the program was only in its pilot stage, there were ongoing channels of communication among border agencies to ensure the program's success. (6) Singapore formed an inter-ministry committee to ensure that all OGAs coordinated formally and consulted with the private sector, and to ensure that supply chain security standards were in compliance with international standards.

#### **L4 IDB studies on AEO programs in APEC Economies<sup>5</sup>**

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<sup>5</sup> Sierra Galindo, María Elena; Domínguez Rodríguez, Gloria María, AEO in APEC Economies: Opportunities to Expand Mutual Recognition Agreements and The Inclusion of SMEs, financed by the Integration and Trade Sector (INT) of the Inter-American Development Bank (IDB), Feb 2020.

In 15 out of the 21 APEC economies, the program is referred to as the AEO program. The only exceptions are New Zealand; Australia; Canada; Singapore and the US. As for the order the program was launched, as shown in Figure 1, the first economy to launch the program was Canada, followed by the US; New Zealand and Japan. Between 2008 and 2012, a wave of APEC economies launched their programs. A few years later Indonesia and the Philippines introduced their respective AEO programs in 2015. Australia and Chile followed suit in 2016 and 2017. Papua New Guinea is the only APEC economy that has yet to launch the AEO program.



Sources: WCO 2019 AEO Compendium and 2019 AEO Study for APEC Economies for IDB.

Figure 1 Program names and launch dates

APEC member economies' most common first move was to include AEOs in their customs-relevant laws, acts or rulings, a step which 16 APEC economies have taken. This administrative decision provides certainty to traders and generally strengthens the program. The following table lists the names of the regulations in which AEOs are included for each economy:

Table 1 APEC economies' regulations that support the AEO program

Australia	Japan	Philippines
Customs Act 1901 and the Customs Australian Trusted Trader Programme Rule 2015; accompanied by an Explanatory Statement.	Customs Law, Cabinet Order, Ministerial Ordinance / DG order	Customs Administrative Order No. 5-2017 and Customs Memorandum Order No. 9-2020
Brunei	Korea	Russia
n/a	Customs Act 255-2, <u>Enforcement Decree</u> of Customs Act 259-2 and 259-3	Articles 38-41 of the Customs Code of the Customs Union; Chapter 6 of the Federal Law

<b>Canada</b>	<b>Malaysia</b>	<b>Singapore</b>
No specific AEO legislation.	Customs Act 1967 Section 88	No specific regulations, consistent with SAFE
<b>Chile</b>	<b>Mexico</b>	<b>Chinese Taipei</b>
Modification of Resolution Number 0849/2009 2 Modification of Article 23 of Customs Law	Customs Law and Trade Rules	Customs Act – Article 19
<b>China</b>	<b>New Zealand</b>	<b>Thailand</b>
Customs Act 1901	Schedule 6 of the Customs and Excise Act 2018	Customs Notification
<b>Hong Kong, China</b>	<b>Papua New Guinea</b>	<b>The United States</b>
n/a Voluntary participation	Program to be launched	The Security and Accountability for Every (SAFE) Port Act of 2006
<b>Indonesia</b>	<b>Peru</b>	<b>Viet Nam</b>
Minister of Finance Regulation number 227/PMK.04/2014	Customs Law / Decree / Resolution	Law/ Decree / Circulars Decision

Table 2 Number of AEO importers and/or exporters

Economy	Number of AEO importers and/or exporters by IDB studies	Number of AEO Operators from the WCO 2019 Compendium of AEO Programmes
Chile	4	
Hong Kong, China	38	50
Japan	60	97 Importers, 239 Exporters, 211 Customs brokers, 136 Warehouse operators, 7 Logistic operators
Viet Nam	69	65
Malaysia	70	70 Importers and 70 Exporters
Peru	85	101
Chinese Taipei	122	
New Zealand	131 sea freight exporters, 480 Secure Sites, 147 Transport Operators, 4 air freight exporters	123 Exporters
Thailand	182	178 Importers/Exporters; 176 Customs Brokers
Singapore	193	183
Australia	325	317
Mexico	631	612 exporters and importers, 154 Customs brokers, 165 road carriers, 10 Bonded warehouses, 2 Strategic bonded warehouses, 2 Industrial estates, 2 Couriers
Canada	2,088	1,633
China	3,200	3,366 Advanced Certified Enterprises, 30,145 General Certified Enterprises
USA	11,579	11,586
Korea		276 Exporters, 143 Importers, 105 Customs brokers, 205 Freight forwarders, 34 Transporters, 9 Sea carriers, 2 Air carriers, 6 Ground handlers, 52 Warehouse operators
Indonesia		110

Russia		177
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Notes: According to Chinese Taipei’s online AEO information, the AEO Operators in Chinese Taipei in July 12 2020 consist of the following: 130 Exporters, 130 Importers, 123 Manufacturers, 157 Customs brokers, 134 Freight forwarders, 20 Road transportation, 8 Sea carriers, 3 Air carriers, 36 Warehouse operators, and 7 Shipping agents. The Philippines officially launched the Philippine Authorized Economic Operator Program (PH AEO) in December 2019. Faced with the restrictions of the COVID-19 pandemic, the Philippines continues to implement AEO program activities through online orientation, seminars and conferences.

## II. Methodology

This study is a questionnaire survey based on Pillar 3 of the WCO’s 2018 version of the SAFE Framework of Standards<sup>6</sup> that focuses on the various AEO benefits of customs’ collaborations with other government agencies. The investigation targets customs authorities, and uses cross-cutting methods to explore whether the customs authorities in the APEC economies cooperated with their other domestic government agencies under various Pillar 3 standards and whether this cooperation provided different types of AEO benefits.

The draft of the survey was sent to member economies for review. After comments from member economies were incorporated, the final survey instruments were sent out in October 2019.

### II.1 Identifying Themes

Since this study is based on the WCO SAFE Framework of Standards in Pillar 3 and focuses on the benefits of AEOs, our team reviewed the Standards in Pillar 3 and consolidated them into nine themes. It is important to note that this study only focuses on the cooperation between members’ customs authorities and their other government agencies, and does not discuss government-government cooperation, so this study is not included in the 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> standards of Pillar 3. This study aggregates the more relevant standards of Pillar 3 into the same theme to facilitate customs’ questionnaire responses. The nine themes are as follows:

1. Cooperation between Customs and OGAs in the field of international trade and supply chain security for different types of purposes
2. Cooperation between Customs and OGAs in cross-border supply chain security for the benefit of AEOs
3. Coordination between Customs and OGAs in harmonizing the supply chain security control measures and security program requirements for the benefit of AEOs

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<sup>6</sup> WCO (2018), Safe Framework of Standards.

4. Customs working with OGAs responsible for developing continuity and recovery measures in the event of a trade disruptive incident for the benefit of AEOs
5. Customs work with OGAs to establish, promote and adopt a single-window system for the benefit of AEOs
6. Customs developing a cooperative arrangement with OGAs to improve the efficiency of the functions and responsibilities of various agencies, and to coordinate cross-border management functions for the benefit of AEOs
7. Customs engaging in any other cooperation with OGAs for the benefit of AEOs
8. The best practices of cooperation between Customs and OGAs for providing AEO benefits
9. The most challenging Customs practices in cooperating with other government agencies to offer AEO benefits

The contents of implementation standards and technical specifications for cooperation between customs and OGAs listed in the 2018 edition of the WCO SAFE framework, because the contents of some standards can be integrated to facilitate the customs to respond to questionnaires. Therefore, this study merges the first 9 standards into 6 themes, plus 3 themes of other possible cooperation between customs and OGAs, best practices for cooperation, and the biggest challenges facing cooperation. In what follows is a brief discussion of the nine themes.

1. The first theme is to ask member economies to reply whether the Customs in relation to themes 2 to 7 cooperated with their OGAs in the field of international trade and supply chain security, with which their economies were faced.
2. The second theme is related to Standard 1 (Mutual Cooperation) and Standard 7 (Mutual Cooperation) of Pillar 3. It mentions that governments should foster mutual cooperation between Customs administrations and other competent government agencies involved with supply chain security across borders and the movement of cargo in different modes of transport including intermodal. This mutual cooperation may include the exchange of information, training, technical assistance, capacity building, alignment of business hours where appropriate and the sharing of equipment.
3. The third theme is related to Standard 3 (Alignment of security programmes), Standard 4 (Harmonization of national control measures), Standard 9 (Harmonization of security programmes), and Standard 10 (Harmonization of cross-border control measures) of Pillar 3. It mentions that governments should align the requirements of the various security programmes/regimes, harmonize the supply chain security national control measures of government agencies, harmonize the requirements of the various security programmes, and harmonize

cross-border control measures.

4. The fourth theme is related to Standard 5 (Development of continuity and resumptions measures) of Pillar 3. It mentions that Customs should work with other government agencies as well as the private sector to identify their respective roles and responsibilities in relation to trade continuity and resumption measures in order to continue trade in the event of a disruptive incident.
5. The fifth theme is related to Standard 6 (Harmonization of data filing requirements) of Pillar 3. It mentions that Customs should develop cooperative arrangements with other government agencies that require data for the clearance of goods in order to facilitate the seamless submission, transfer, and reuse of international trade data, consistent with the single-window concept.
6. The sixth theme is related to Standard 2 (Cooperative Arrangements/Procedures) and Standard 8 (Arrangements to achieve coordinated cross-border management functions) of Pillar 3. It mentions that governments should develop and maintain cooperative arrangements or procedures among their agencies that are involved in international trade and security and cross-border management functions.
7. The seventh theme is not clearly related to Pillar 3 standards, but is open to member economies to reply to any other possible cooperation between Customs and OGAs.
8. The eighth theme is open to member economies to respond to the best practices of cooperation between Customs and OGAs in the field of international trade and supply chain security and in giving AEO benefits.
9. The ninth theme is open to member economies to respond to the biggest challenges facing cooperation between Customs and OGAs in the field of international trade and supply chain security and in giving AEO benefits.

## **II.2 Types of AEO benefits provided by OGAs**

One of the core elements of the SAFE Framework is that customs strive for and provide benefits to enterprises that meet the minimum supply chain security standards and best practices. Tangible benefits for AEOs are a measure of the balance between trade security and trade facilitation. Based on Annex IV of the 2018 SAFE Framework of Standards and other information, the types of AEO benefits from OGAs are as follows:

1. Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs' security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
2. Expedient visa processing for qualified employees of AEOs;

3. Decreasing the number of physical export inspections for OGAs;
4. Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
5. Recognition of AEO criteria by other agencies in their simplification and reform efforts;
6. Funding or assistance through training assistance schemes and development programs to enhance enterprises' capabilities in supply chain security;
7. Providing policy, business, management and other support;
8. Other AEO benefits, and if included should be as specific as possible.

Since this study did not pre-identify how the customs-OGA cooperation matters are matched with AEO benefit items, the questionnaire design asked the same AEO benefit items for each cooperation matter.

### **III. AEO Benefits Survey Results under WCO SAFE Framework Pillar 3**

Nineteen of the 21 member economies responded to the questionnaire. These economies are as follows: Australia; Canada; Chile; China; Hong Kong-China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Peru; Singapore; Chinese Taipei; Thailand; Papua New Guinea; Russia; the United States; and Viet Nam.

The AEO benefits survey results from this study are divided into the following three aspects and their explanations are provided below.

#### **III.1 General Results**

The survey results show that APEC's 21 member economies submitted 19 responses to the questionnaire, and that the response rate was 90.5%.

Compared with the APEC study<sup>7</sup> results, about 76.5% of the respondents indicated that they had some form of communication with OGAs regarding the AEO program, but when their customs authorities implemented the AEO program, the AEO promotion process had little to do with the OGAs. In this study, 17 of the 19 member economies indicated that their customs authorities cooperate with OGAs, with a coverage rate of 89.5%. This study revealed that customs no longer cooperated with OGAs to implement the AEO plan, but rather to further cooperate on the standards of the Pillar 3 of the SAFE Framework.

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<sup>7</sup> Asia-Pacific Economic Cooperation, Policy Support Unit (2016), Study of APEC Best Practices, in Authorized Economic Operator (AEO) Programs.

A total of 11 out of the 19 member economies stated that their customs cooperated with OGAs and that the OGAs had given AEO benefits, with a coverage rate of 57.9%. This study found that the customs authorities of member economies and OGAs collaborated on the standards of Pillar 3 of the SAFE Framework, and therefore the resulting AEO benefits had nothing to do with the geographical location of the economy, the time when the AEO benefits started, nor the number of AEO enterprises. The most important factor should be the determination of the economic leaders to accept and promote the WCO SAFE Framework, and the customs authorities and OGAs will care about what each other is interested in when they promote the AEO program, in order to break the limits of the existing regulations.

### **III.2 Members' Pillar 3 cooperation**

From the questionnaire responses, this study found that most of the customs authorities of APEC member economies focus on international trade and supply chain security, and adopt certain type of measures for cooperation with OGAs (see Table 3).

Overall, on average, each APEC member economy participates in more than three cooperation matters under Pillar 3 standards. However, only eight member economies had adopted more than three cooperation matters, with Singapore; Australia; Hong Kong China and Malaysia accounting for the most cooperation. By contrast, 11 member economies had adopted less than three cooperation matters, with Indonesia; Korea; Russia and Papua New Guinea engaging in the least cooperation.

As far as the cooperation matters are concerned, (1) cross-border supply chain security mutual cooperation, (2) the harmonization of supply chain security control measures and security program requirements, and (3) the establishment, promotion and adoption of a single-window environment were the items adopted by the customs authorities that had the most cooperation with OGAs. Developing mechanisms and plans for continuity and resumption measures to continue trade and cooperation with transportation authorities, and the harmonization of security programs were the items adopted by customs authorities that had least cooperation.

In terms of the different regions, the customs authorities of the member economies in the Americas had most engaged in cooperation with OGAs in the forms of (1) the establishment, promotion and adoption of a single-window environment, and (2) cross-border supply chain security mutual cooperation. Meanwhile, the customs authorities of the other member economies had engaged the most in cooperation related to (1) the harmonization of supply chain security control measures and security program requirements, and (2) cross-border supply chain security mutual cooperation.



### **III.3 Pillar 3 AEO benefits under specific cooperation**

#### **1. Cross-border supply chain security mutual cooperation**

Of the 11 member economies that had adopted this cooperation matter, only seven customs authorities said that cooperation with OGAs produced AEO benefits (see Table 4).

This study found that in cross-border supply chain security mutual cooperation, the most commonly reported AEO benefits were (1) recognition of AEO criteria by other agencies in their simplification and reform efforts, (2) recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs' security program status criteria so as to eliminate duplication and re-examination of the same areas and operations, and (3) priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations. The member economy that reported the most types of AEO benefits received was Australia, followed by China; Malaysia and Singapore.

#### **2. Harmonization of supply chain security control measures and security program requirements**

Of the 11 member economies that adopted this cooperation matter, only seven customs authorities said that cooperation with OGAs produced AEO benefits (see Table 5).

This study found that in coordinating supply chain security control measures and security planning requirements for cooperation, the most commonly reported AEO benefits were (1) recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations, and (2) recognition of AEO criteria by other agencies in their simplification and reform efforts. Customs authorities and OGAs jointly coordinated supply chain security control measures and security planning requirements. The member economies that reported the most types of AEO benefits received were Australia; China; Malaysia and Singapore.

#### **3. Developing mechanisms and plans for continuity and resumption measures to continue trade**

Of the six member economies that adopted this cooperation matter, only five customs authorities said that cooperation with OGAs produced AEO benefits (see Table 6).

This study found that in the development of mechanisms and plans for continuity and resumption measures to continue trade cooperation, the most commonly reported AEO benefits were (1) decreasing the number of physical export inspections for OGAs, and (2) priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations. Customs authorities and OGAs were developing mechanisms and plans for continuity and resumption measures to continue trade cooperation. The member economies that reported the most types of AEO benefits were China and Singapore.

#### **4. Establishment, promotion and adoption of a single-window environment**

Of the 11 member economies that adopted this cooperation matter, only six customs authorities said that cooperation with OGAs produced AEO benefits (see Table 7).

This study found that in coordinating supply chain security control measures and security planning requirements for cooperation, the most commonly reported AEO benefits were (1) decreasing the number of physical export inspections for OGAs, (2) priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations, and (3) recognition of AEO criteria by other agencies in their simplification and reform efforts. Customs authorities and OGAs were cooperating in establishing, promoting and adopting a single-window environment. The member economies that reported the most AEO benefits were China and Viet Nam.

#### **5. Cooperating to improve the efficiency of agency functions and responsibilities and coordinating cross-border management functions**

Of the 10 member economies that adopted this cooperation matter, only six customs authorities said that cooperation with OGAs produced AEO benefits (see Table 8).

This study found that the most commonly reported AEO benefits from cooperating to improve the efficiency of agency functions and responsibilities and to coordinate cross-border management functions were (1) decreasing the number of physical export inspections for OGAs, and (2) priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations. The member economies that reported the most AEO benefits received were China; Singapore and Malaysia.

#### **6. Other cooperation matters**

Of the 10 member economies that adopted this cooperation matter, only eight customs authorities said that cooperation with OGAs produced AEO benefits (see Table 9).

This study found that the most commonly reported AEO benefits from other cooperation matters were (1) recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs' security program status criteria so as to eliminate duplication and re-examination of the same areas and operations, and (2) recognition of AEO criteria by other agencies in their simplification and reform efforts. The member economies that reported the most AEO benefits from customs-OGA cooperation in other matters were Viet Nam; Australia and Singapore.

We added up the data on the six cooperation matters mentioned above to obtain the overall situation of AEO benefits generated by customs-OGA cooperation based on Pillar 3 of the SAFE Framework (see Table 10). The most commonly reported AEO benefits from customs-OGA cooperation based on Pillar 3 of the SAFE Framework were (1) recognition of AEO criteria by other agencies in their simplification and reform efforts, (2) recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations, (3) decreasing the number of physical export inspections for OGAs, and (4) priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations (see Figure 2). The member economies in which customs-OGA cooperation based on Pillar 3 of the SAFE Framework produced the most AEO benefits were Singapore; China; Viet Nam; Australia and Malaysia.

Table 3 SAFE Framework Pillar 3 cooperation provided by member economies

Cooperation matters	Australia	Canada	Chile	China	HKC	Indonesia	Japan	Korea	Malaysia	Mexico	New Zealand	Papua New Guinea	Peru	Russia	Singapore	Chinese Taipei	Thailand	USA	Viet Nam	Total
Cooperation with transportation authorities and harmonization of security programs	1	0	0	0	1	0	0	0	1	0	1	0	0	0	1	0	0	1	1	7
Cross-border supply chain security mutual cooperation	1	0	1	1	1	0	1	0	1	1	1	0	0	0	1	0	0	1	1	11
Harmonizing the supply chain security control measures and security program requirements	1	0	0	1	1	0	1	0	1	1	1	0	0	1	1	1	0	0	1	11
Developing mechanisms and plans for continuity and resumption measures to continue trade	1	0	0	1	1	0	0	0	1	0	0	0	0	0	1	0	0	1	0	6
Establishment, promotion and adoption of a single-window environment	1	1	1	1	0	0	1	0	0	0	0	0	1	0	1	1	1	1	1	11
Cooperating to improve the efficiency of agency functions and responsibilities and coordinating cross-border management functions	1	0	1	1	1	0	0	0	1	0	1	1	1	0	1	0	1	0	0	10
Other cooperation matters	1	1	0	0	1	0	0	1	1	1	1	0	0	0	1	0	0	1	1	10
<b>Total</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>66</b>

Table 4 Cross-border supply chain security mutual cooperation between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	Australia	China	HKC	Malaysia	New Zealand	Singapore	Viet Nam	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs' security program status criteria so as to eliminate duplication and re-examination of the same areas and operations	1	0	0	1	1	1	0	4
Expeditious visa processing for qualified employees of AEOs	1	0	0	0	0	0	0	1
Decreasing the number of physical export inspections for OGAs	0	1	0	0	0	1	1	3
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations	0	1	1	1	0	1	0	4
Recognition of AEO criteria by other agencies in their simplification and reform efforts	1	0	0	1	1	1	1	5
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security	1	1	0	1	0	0	0	3
Providing policy, business, management and other support	1	1	0	0	0	0	1	3
Other AEO benefits	0	0	0	0	0	0	0	0
Total	5	4	1	4	2	4	3	23

Table 5 Harmonizing the supply chain security control measures and security program requirements cooperation between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	Australia	China	Japan	Malaysia	New Zealand	Singapore	Viet Nam	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	1	0	1	1	1	1	1	6
Expeditious visa processing for qualified employees of AEOs;	1	0	0	0	0	0	0	1
Decreasing the number of physical export inspections for OGAs;	0	1	0	0	1	1	0	3
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	0	1	0	1	0	1	0	3
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	1	0	1	1	0	1	1	5

Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	1	1	0	0	0	0	0	2
Provide policy, business, management and other support;	0	1	0	1	0	0	1	3
Other AEO benefits	0	0	0	0	1	0	0	1
Total	4	4	2	4	3	4	3	24

Table 6 Developing mechanisms and plans for continuity and resumption measures to continue trade cooperation between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	China	HKC	Malaysia	Singapore	USA	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	0	0	0	1	0	1
Expeditious visa processing for qualified employees of AEOs;	0	0	0	0	0	0
Decreasing the number of physical export inspections for OGAs;	1	0	0	1	1	3
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	1	1	0	1	0	3
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	0	0	1	1	0	2
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	1	0	0	0	0	1
Providing policy, business, management and other support;	1	0	1	0	0	2
Other AEO benefits	0	0	0	0	0	0
Total	4	1	2	4	1	12

Table 7 Establishment, promotion and adoption of a single-window environment cooperation between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	Australia	China	Mexico	Singapore	USA	Viet Nam	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	0	0	0	1	0	1	2

Expeditious visa processing for qualified employees of AEOs;	0	0	0	0	0	0	0
Decreasing the number of physical export inspections for OGAs;	1	1	0	1	0	1	4
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	1	1	0	1	0	1	4
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	1	0	0	1	1	1	4
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	0	1	0	0	0	0	1
Providing policy, business, management and other support;	0	1	0	0	0	1	2
Other AEO benefits	0	0	1	0	0	0	1
Total	3	4	1	4	1	5	18

Table 8 Cooperating to improve the efficiency of agency functions and responsibilities and coordinating cross-border management functions between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	China	HKC	Malaysia	Mexico	New Zealand	Singapore	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	0	0	1	0	0	1	2
Expeditious visa processing for qualified employees of AEOs;	0	0	0	0	0	0	0
Decreasing the number of physical export inspections for OGAs;	1	0	0	0	1	1	3
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	1	1	0	0	0	1	3
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	0	0	1	0	0	1	2
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	1	0	0	0	0	0	1
Providing policy, business, management and other support;	1	0	1	0	0	0	2
Other AEO benefits	0	0	0	1	1	0	2
Total	4	1	3	1	2	4	15

Table 9 Other cooperation matters between member economies' Customs and OGAs and types of AEO benefits generated by the cooperation

Types of AEO benefits provided by OGAs	Australia	HKC	Korea	Malaysia	Mexico	Singapore	USA	Viet Nam	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	1	0	0	1	1	1	0	1	5
Expeditious visa processing for qualified employees of AEOs;	1	0	1	0	0	0	0	1	3
Decreasing the number of physical export inspections for OGAs;	1	0	0	0	0	1	0	1	3
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	0	0	0	0	0	1	0	1	2
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	1	0	0	1	1	1	0	1	5
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	0	0	0	0	0	0	0	1	1
Providing policy, business, management and other support;	0	1	0	0	0	0	1	1	3
Other AEO benefits	0	0	0	0	0	0	0	0	0
Total	4	1	1	2	2	4	1	7	22



Table 10 The overall situation of AEO benefits generated by the cooperation between Customs and OGA based on Pillar 3 of the SAFE Framework

Types of AEO benefits provided by OGAs	Australia	Canada	Chile	China	HKC	Indonesia	Japan	Korea	Malaysia	Mexico	New Zealand	Papua New Guinea	Peru	Russia	Singapore	Chinese Taipei	Thailand	USA	Viet Nam	Total
Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;	3	0	0	0	0	0	1	0	4	1	2	0	0	0	6	0	0	0	3	20
Expeditious visa processing for qualified employees of AEOs;	3	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	5
Decreasing the number of physical export inspections for OGAs;	2	0	0	5	0	0	0	0	0	0	2	0	0	0	6	0	0	1	3	19
Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;	1	0	0	5	3	0	0	0	2	0	0	0	0	0	6	0	0	0	2	19
Recognition of AEO criteria by other agencies in their simplification and reform efforts;	4	0	0	0	0	0	1	0	5	1	1	0	0	0	6	0	0	1	4	23
Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;	2	0	0	5	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	9
Providing policy, business, management and other support;	1	0	0	5	1	0	0	0	3	0	0	0	0	0	0	0	0	1	4	15
Other AEO benefits	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	4
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>15</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>114</b>

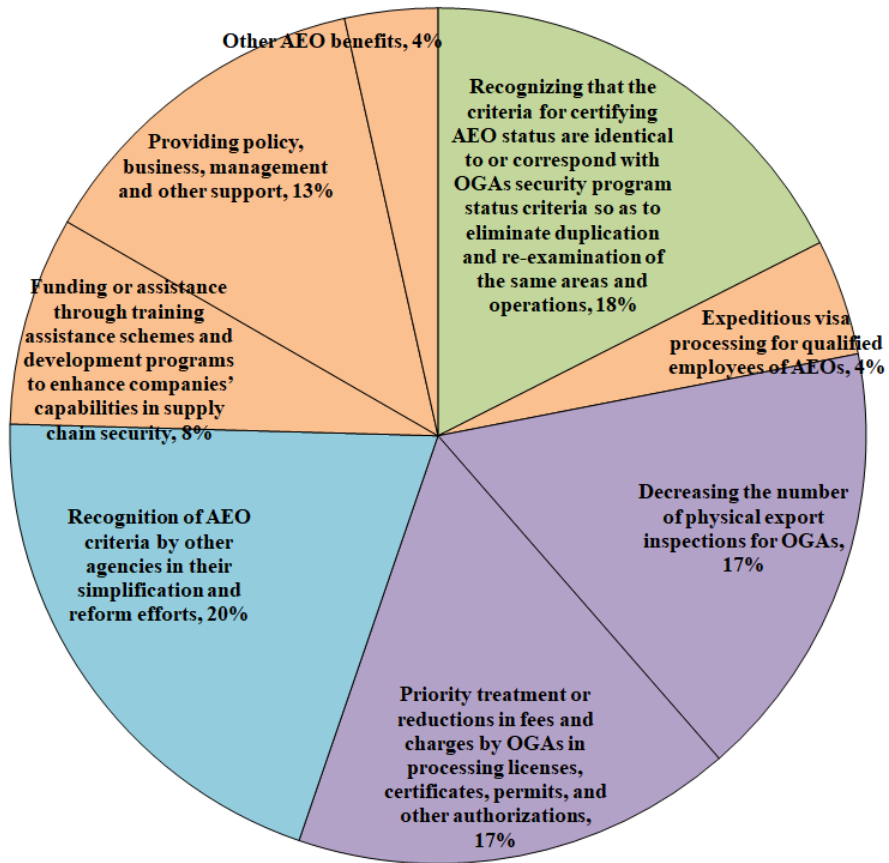


Figure 2 The distribution of types of AEO benefits generated by the cooperation between Customs and OGA based on Pillar 3 of the SAFE Framework

## IV. Best Practices for Pillar 3 Cooperation

Previous studies, such as the APEC Policy Support Unit Study of APEC Best Practices in AEO Programs published in May 2016, indicated that a common theme in survey responses was that APEC customs authorities viewed the design of an AEO program as an issue concerning customs alone. In that study, only the customs of US and Singapore sought to cooperate with OGAs to strive for more incentives for AEO enterprises or to ensure that supply chain safety met international standards. US Customs and Border Protection (CBP) stated that it was working with a number of OGAs to provide operators with more incentives and reduce the redundancy of the government and private sector. Singapore formed an inter-ministry committee to ensure that all OGAs coordinated formally and consulted with the private sector, and that supply chain security standards were in compliance with international standards.

Regarding the best practices of customs and OGAs in relation to SAFE Pillar 3 cooperation, this study found that seven member economies already had their own best practices for cooperation, two member economies had planned the direction of promotion, but 10 member economies had not yet cooperated in this direction or had only focused on the AEO program itself.

The self-described best practices of cooperation among the seven member economies are as follows:

1. The Australian Border Force (ABF) is part of the Home Affairs Portfolio, which supports the interactive relationship between participating agencies of the Home Affairs Portfolio. The best practices of the ABF are as follows: regularly cooperating with OGAs to coordinate border Customs clearance procedures as part of policies, regulations, and service designs; promoting direct contact between trusted traders and OGAs to establish industry identity relationships, and assisting OGAs in trying to provide trusted traders with goods and people across the border to in a low-risk manner. The ABF is leading the entire government review of border permits and licenses, which aims to remove barriers to international trade, reduce regulatory burdens related to prohibited goods permits, and simplify regulations related to prohibited goods and licensed goods.
2. China Customs had signed MOUs with 39 other government agencies to provide 49 benefits to AEOs in 2016, including a Green lane, reduced inspection rates, priority treatment, simplified procedures and shortened times, major references for giving credit financing, priority awards and recognition, priority as a reformation pilot, etc.<sup>8</sup>
3. The Mexican Taxation Administration Service stated that the cooperation between customs and the Federal Police (Gendarmerie) includes sharing best practices to help mitigate risks and ensure the integral security of the supply chain and production cycles threatened by organized crime. In addition, the cooperation between customs and the General Administration of Civil Aviation (DGAC) includes a pilot program aiming to achieve mutual recognition between the Safe Cargo Operator and the Mexican AEO program which focuses on the alignment of both programs and Mutual Recognition, and effective actions to respond to

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<sup>8</sup> Memorandum of Cooperation on Implementing Joint Incentives for Customs Advanced Certification Enterprises, <http://www.customs.gov.cn/customs/302249/302419/xgfg/648295/index.html>.

supply chain security challenges, avoid duplication of requirements and control, and simplify procedures.

4. New Zealand Customs recently arranged supply chain security with the Civil Aviation Authority (CAA) of New Zealand that is part of the Ministry of Transport. It has implemented New Zealand's Secure Export Scheme (SES) air cargo. The arrangement involves adopting existing CAA security controls implemented under the Regulated Air Cargo Agents (RACA) with the addition of the enhanced sealing of packages and documented security at the packing site. There are also arrangements with the Ministry for Primary Industries (MPI). Such arrangements that focus on securing packages under the SES. A joint Customs/MPI security bolt seal for containerized cargo has been approved with the addition of the secure air cargo Customs MPI's existing carton seal. A Customs trade single window has also been integrated with the MPI. Exporters can submit export declarations that go to both agencies.
5. Singapore Customs works closely with the Immigration and Checkpoints Authority (ICA) in the risk management of import and export shipments. The ICA, with inputs from Customs, recognizes the shipments imported and exported by the Secure Trade Partnership (STP)-certified companies, assigns a lower risk score and facilitates such shipments.
6. The US Customs and Border Protection has stated that the joint efforts between the OGAs and AEO programs provide a solid communication and unified approach between the programs.
7. Viet Nam Customs and OGAs coordinate their efforts and cooperate in identifying and validating the compliance of enterprises.

In addition, the Peruvian Customs signed a cooperation agreement with the agricultural department for the implementation of the AEO requirements in agriculture. However, the agreement has not yet been officially implemented. The Russian Federal Customs Service is currently considering cooperation with OGAs (such as tax authorities) to reduce control measures.

In general, the customs authorities of APEC member economies promote cooperation with OGAs, and customs' attitudes are found to be more positive than in previous studies. Customs focus not only on the implementation of the AEO program itself, but also on the implementation of cooperation in line with SAFE Pillar 3, such as communication between programs, the sharing of information, the reorganization of government organizations, the risk management of import and export goods, and signing cooperation memorandums.

## **V. Difficulties Cooperating with OGAs**

In the 2016 study report of the APEC Policy Support Unit, only Canada stated that its Customs faced problems in promoting cooperation with OGAs. Canada clearly pointed out that certain goods that benefitted from AEOs were regulated by other government agencies through legislation. Due to these legal difficulties, coordination was required to ensure that the requisite legal frameworks governing the AEO programs are workable.

Regarding the most challenging issue in terms of the cooperation between customs and OGAs in this study, the customs authorities of 14 out of 19 member economies responded. The 14 customs that did respond stated that they faced the challenge of cooperating with OGAs. Their detailed responses are as follows:

1. The Australian Border Force stated that, in some cases, due to legal restrictions on sharing information between departments, OGAs may restrict the sharing of information if they have a risk-averse attitude. For some OGAs, there may be few benefits that can be clearly provided.
2. The Canadian Border Services Agency said that the difference in legislative mandates with OGAs leads to the greatest difficulty in promoting cooperation.
3. Chile Customs stated that it had not yet implemented instances of cooperation with OGAs, but that, based on the experiences it gained from its partners in the Pacific Alliance regarding this issue, it understood that raising awareness among OGAs regarding understanding that the AEO program was based on “risk management” was one of the most important challenges. This particularly applied to those OGAs that in the daily development of their control activities operated based on a logic of 100% revision, or prioritized control at the point of entry/exit of goods/loads.
4. The General Administration of Customs of China stated that the most challenging aspect of cooperation with OGAs was the time and effort required to reach a consensus.
5. Indonesia’s Directorate General of Customs and Excise said that the most challenging way to cooperate with OGAs was to harmonize or align the terms of OGAs in accordance with the AEO clauses. Not only was it necessary to obtain equal recognition from both parties, but relevant Ministries and Government Institutions also needed to engage in comprehensive discussions.
6. The Ministry of Finance of Japan stated that if the certification system controlled by OGAs had common certification requirements with the AEO program controlled by Customs, it could simplify the examination or on-site inspection according to the status of other certification systems and thereby avoid duplicating the process. However, each government agency had different points of interest, and so certification requirements may naturally have been different. In this regard, in addition to simplifying the common requirements, AEO participants still needed to undergo certification checks, and so the benefits seemed limited. Therefore, Customs has made a lot of efforts to coordinate with OGAs in order to maximize the benefits of AEO participants during the OGA certification process.
7. The Korea Customs Service faced difficulties in convincing OGAs to find common ground and cooperate on the AEO program to achieve trade facilitation and supply chain security.
8. The Royal Malaysian Customs Department stated that the challenge in cooperating with OGAs was that different laws and statutes needed to be coordinated.
9. The Mexican Tax Administration Service stated that the most challenging practice it currently faced was to complete the Pilot Program to achieve mutual recognition between the Safe Cargo Operator (Civil Aviation security program) and the Mexican AEO program. The challenges faced included: (1) defining how recognition will work for each of the programs and to what extent it will be possible; (2) determining if there are security and operational requirements to be

aligned; (3) formalizing an inter-institutional agreement that will foster the exchange of information; and (4) developing the inclusion of each program in the legal framework.

10. The difficulty faced by New Zealand Customs in cooperation with the Ministry of Primary Industries (MPI) lie in the rules and requirements agreed upon in cross-border negotiations. Among them, in regard to overseas marketing access requirements (OMAR) and importing economies' phytosanitary requirements (ICPR), the MPI was only responsible for product food safety certification that met OMAR and ICPR standards. The MPI was unwilling to be responsible for the security of the customs clearance process, which puts this responsibility at risk.
11. Singapore Customs stated that the most challenging practice in cooperating with OGAs was to find the right balance between trade facilitation and trade control. Economic agencies leaned towards minimal control for trade efficiency, while security agencies leaned towards a higher level of control for security reasons. Hence, it was a challenge to strike a balance and satisfy both sides with respect to the benefits to be accorded to AEO shipments.
12. The Chinese Taipei Customs Administration believed that each government agency had its distinctive requirements for providing benefits to economic operators. Therefore, it was difficult for OGAs to provide benefits to AEO companies as their AEO certifications were based on the AEO criteria set by the Customs Administration.
13. US Customs and Border Protection stated that certain OGAs were bound to directives and/or laws that had to be adhered to, which was the most challenging issue for promoting cooperation between the two parties.
14. In some cases, the General Department of Viet Nam Customs took a long time to consult with OGAs, making AEO validation and recognition more time-consuming.

This study found that the customs authorities of APEC member economies had made great progress in promoting cooperation with OGAs, but customs and OGAs still adhered to different applicable laws and regulations. In general, how to achieve a balance between trade facilitation and supply chain security control is the biggest challenge for customs. If customs authorities do not obtain sufficient authorization from high-level government, OGAs with a risk-averse attitude would make it difficult for customs to achieve clear coordination results. Even if the attitude of OGAs were well coordinated, because of the differences in regulatory authorization, it would take a lot of time and effort to coordinate actions and reach a consensus.

## **VI. AEO Program Best Practice Manual under WCO SAFE Framework Pillar 3**

Currently international trade is facing new challenges such as the rise of e-commerce and the reorganization of the supply chain. It is necessary for APEC member economies' AEO programs to take measures to address these challenges of digital trade and supply chain security. According to the questionnaire survey, customs hoped to cooperate with OGAs, but OGAs were limited by various factors, and their willingness to cooperate needed to be improved. Due to the implementation of customs clearance procedures, customs needed to review documents in accordance with the laws governed

by OGAs. However, the work of reviewing documents often raised doubts and required assistance from OGAs to resolve them. The facilitation of customs clearance was naturally affected.

For customs and OGAs, the facilitation of trade and border security are like two sides of a coin. If they can work together to pick up high-risk goods, they can let legitimate commerce pass borders. They checked high-risk matters according to their professional responsibilities. They had different focuses, and the laws they are based on were not the same and could not be unified, but there is room for cooperation in practice. The WCO included OGAs in the AEO program, hoping that both parties would strengthen cooperation to promote the facilitation and safety of the supply chain. However, the AEO certification criteria were set by customs, mainly to protect against the border security risks for customs itself, and customs did not adopt the risk standards of OGAs. If practices were only based on the existing AEO certification standards, OGAs would never easily release benefits to AEO certified enterprises.

In order to achieve the goal of safety and efficiency in the international trade supply chain, customs should cooperate with OGAs when launching the AEO program. However, the vast majority of APEC member economies had initiated and completed AEO programs before 2017. Up to now, APEC member economies still had many differences in the development of AEO programs, such as cooperation between customs and OGAs, AEO certification types, AEO certification requirements, and AEO benefits.

Therefore, the main task of AEO programs in the future is to implement existing practices, further promote the expansion of the scope of application and incorporate the risk standards of OGAs. This study proposes that APEC member economies can expand the four best practices for promoting AEO programs, namely, improving cooperation between customs and OGAs, increasing the types of AEO certification, promoting AEO compliance standards for cross-border e-commerce, and providing more AEO benefits. The descriptions to these practices are as follows:

### **(I) Improving best practices for customs-OGA cooperation**

The best practices that the customs authorities of APEC member economies can adopt in their cooperation with OGAs include:

1. Starting from the coordinated management of border information, goods, and people's movement, customs and OGAs can focus on the transparency of regulations, simplified submission methods, information sharing, and information protection. For example, all border control agencies could share information and jointly screen incoming and outgoing goods. If it is an item that must be inspected by multiple approval agencies, it can thus be carried out in coordination without repeated inspection. If sampling is required, key units can help with sampling.
2. Starting from the organizational structure, some APEC economies could reorganize the functions of their homeland security-equivalent ministries, including border control, domestic security, law enforcement, emergency management, immigration and refugee affairs, citizenship affairs, multicultural affairs, and traffic safety. In this way, the ministry can carry out internal planning and coordination, lead the government's review of border permits, and maintain a balance between security and trade facilitation. If a reorganization of government agencies cannot be adopted, the implementation of coordinated border management and a joint office could also be an effective method.

3. In the case where government border control and supply chain security responsibilities are relatively scattered, each agency has its own regulations and specifications. As customs cooperated with OGAs based on the improvement of the AEO program, great patience is required to develop mutual trust, mutual benefit, equality and dialogue. Customs could start with OGAs that had closely relevant work to customs and seek innovative ways of cooperation, but it must also take into account the responsibilities of the OGAs. For examples, the Customs Trade Single Window can include more relevant departments to make it easier for exporters to submit export declarations and customs can establish joint security bolt seals with OGAs for container cargo.

## **(II) Increasing the types of AEO certification related to simplified customs clearance and supply chain security and safety**

An authorized economic operator refers to a party involved in the international movement of goods that has been approved by or on behalf of a domestic customs administration as complying with WCO or equivalent supply chain security standards. [The AEO Guidelines of the WCO SAFE Framework of Standards](#) defined that AEOs include manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses, distributors.<sup>9</sup>

A total of 20 types of AEO certifications in APEC economies were found, but only the certification types of importers, exporters, customs brokers, and warehouse operators were more common. Other types were not widely adopted. Some certification types are closely related to customs clearance, while others are closely related to supply chain security.

Although there are many types of AEOs, not every type of certification were directly related to simplified customs clearance. The customs adopts a single compliance standard for all certification types, and sets higher inspection standards in order to avoid risks and increase the difficulty of inspection. If the same qualification requirements were adopted for the certification of all economic operators, and only customs provided benefits to AEO, it would be relatively less attractive for enterprises other than importers and exporters to apply for certification.

Therefore, if APEC economies can differentiate the types of AEO certification by applying customs clearance simplification and security, customs can have great development potential to promote interaction with OGAs in response to the AEO programs. Customs can help economic operators gain more benefits from the perspective of compliance with OGAs safety regulations to enhance overall cross-border supply chain security.

Customs should incorporate OGAs into the AEO program, and allow them to participate in the establishment of safety certification standards, training, and field testing in an institutionalized manner. It is impossible for OGAs to loosen all cargo inspections, but it is possible to implement preferential treatment for AEOs if OGAs participate in the formulation of AEO safety certification standards.

On the other hand, the scale of enterprises applying for safety certification of economic operators may be relatively small. In addition to removing the restrictions on the scale of enterprises applying for certification, customs can adopt low-cost methods

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<sup>9</sup> See Annex 1 Definitions.



to achieve compliance requirements for micro, small and medium-sized enterprises. Such requirements could include those for site security inspections, requirements for authorized personnel to perform identification, and good record keeping systems.

### **(III) Promoting AEO compliance standards related to cross-border e-commerce supply chains**

In reality, cross-border e-commerce transactions are booming. In order to reduce the passage of prohibited goods in cross-border e-commerce, customs should pay attention to the AEO compliance standards relevant to the e-commerce supply chain, including simplifying customs clearance, securing the supply chain, or fair competition.

The delivery of cross-border e-commerce goods may involve e-commerce platform providers, retailer, courier, post office, customs brokers, and transport companies, among which e-commerce platform companies, postal companies and courier companies have been less discussed in the foregoing discussion. Therefore, APEC economies should consider the establishment of "standards to be followed by trusted e-commerce traders," which is not only in line with the specific characteristics and mode of operation of e-commerce trade, but also contributes to risk management and supply chain security.

In the past, customs authorities had discussed the following topics, including "Express cargo declaration appointment and real-name system", "Express cargo return and destruction", "Low-priced cargo tax system simplification and auditing operations", "Simplified verification of a small number of personal use goods ", "Cross-border e-commerce customs supervision" and "Cross-border e-commerce governance structure", etc. Experts suggest that customs consider the following principles when formulating e-commerce regulations: (1) Construct a trade facilitation system based on the common threshold value of commodities, adopt simplified border procedures, and follow standardized procedures established by international organizations, (2) Cooperate with the business community to strengthen compliance with laws and regulations, and give them preferential treatment in addition to the simple customs clearance requirements of low-priced goods, and (3) Ensure the fair competition and safety of postal and express delivery channels.

More importantly, in the face of the small-volume, low-priced, and multi-batch of e-commerce cross-border transactions, customs need to cooperate with OGAs to achieve a balance between security and trade facilitation.

### **(IV) Providing more benefits for AEOs**

The SAFE framework recommends that customs provides benefits to businesses that meet minimum supply chain security standards and best practices. Only by striking a balance between trade security and trade facilitation can the effective implementation of the SAFE framework be best achieved. According to ANNEX IV of the WCO's "2018 SAFE Framework of Standards" report, the benefits are divided into two categories: general benefits and operator-specific benefits.

General benefits include measures to expedite cargo release, reduce transit time and lower storage costs; measures to facilitate post-release processes; special measures relating to periods of trade disruption or elevated threat level; participation in new trade facilitation programs/initiatives; benefits provided by other government agencies; benefits under mutual recognition agreements (MRAs); providing access to information

of value to AEO participants; and indirect benefits. The benefit for specific economic operators is to provide specific benefits for specific type of economic operator.

However, according to the WCO 2019 AEO Compendium and 2019 AEO Study for APEC Economies for IDB, APEC economies still have room for improvement in terms of AEO benefits or the number of AEO certifications. Because most of the existing general AEO benefits are given to importers and exporters, there are also more items for importers and exporters in terms of operator-specific benefits. Due to the lack of sufficient benefits, larger importers and exporters are generally more capable of demanding that their business partners cooperate to improve safety or participate in AEO certification.

In order to adapt to the e-commerce environment and improve the safety and facilitation of international trade, customs must take actions to attract more enterprises in the supply chain to participate in AEO certification. One of the important means to achieve this goal is to provide economic operators with benefits, so that enterprises are willing to improve their capabilities and participate in AEO certification.

APEC economies can take the following directions to provide economic operators with more benefits. The first is to implement the general benefits and the economic operator-specific benefits mentioned in the WCO "2018 SAFE Framework of Standards" report as much as possible. The second is that under the existing AEO certification types, the customs authorities of various economies are still working hard to improve their cooperation with OGAs and create benefits for AEOs. Therefore, APEC should encourage more economies to share experience and information to accelerate the provision of benefits of AEO. The third is that by adding more AEO certification types, customs can develop more opportunities for cooperation with OGAs and create more AEO benefits. The fourth is to reduce the differences in the various AEO programs of APEC economies. This can advance the signing of AEO mutual recognition agreements, and thus extend the benefits of AEOs to the customs clearance preferences of the signatory parties.

## **VII. Conclusion and Recommendations**

WCO revised the SAFE framework in June 2015 to include customs and OGAs in the newly added Pillar 3. Through the Coordinated Border Management concept, the WCO has recognized that the conversation between Customs-to-OGA and Customs-to-business can improve the efficiency of trade with balanced security requirements. The World Bank has published the "[Border Management Modernization](#)" handbook, emphasizing the role of OGAs in promoting trade and focusing on the "whole-of-government" approach. Supply chain security initiatives that fail to encourage interagency collaboration invite the same sort of costs and inefficiencies as initiatives that ignore the commercial aspects of the supply chain.

APEC published the AEO Program Best Practices Report in due course in 2016. The report pointed out that, at the time, many of APEC members' customs authorities only regarded the AEO plan as an internal issue of customs, without having any support or cooperation from OGA. About 76.5% of the respondents indicated that they had some form of communication with OGAs regarding the AEO program. There were a few members who had demonstrated some of the best practices in the AEO planning process. Among them, Australia had systematically negotiated with OGAs in the development and implementation of AEO programs; Canada and Indonesia had also

included communication with OGAs during the design stage; the US CBP coordinated with OGAs on management and conducted formal OGA communication within a specific time frame. Therefore, in order to realize the benefits of more simplified procedures, it is very important for customs authorities to strengthen more formal consultations and cooperation with OGAs. Establishing a clear line of communication is the easiest way to solve this problem, and communication can ensure that the problem is solved at the beginning of the procedure. The APEC 2016 report encourages APEC-wide commitment to OGA participation. Members should encourage customs authorities to contact OGAs to enable them to participate in AEO programs.

Under the existing research results of APEC, the core issues discussed in this study are the cooperation between customs and OGAs in the field of international trade and supply chain security, and the benefits provided by OGAs to AEOs based on the cooperation. Economic agencies tend to have minimal control over trade efficiency, while security agencies tend to have a higher level of control for security reasons. Therefore, the biggest challenge in relation to the cooperation between customs and OGAs is to first convince the OGAs to agree to cooperate in the AEO program, and secondly both customs and OGAs must invest time and energy to achieve a balance between trade facilitation and trade security control before considering whether OGAs can provide benefits to AEOs.

The results of the questionnaire surveys completed by APEC member economies show that as far as cooperation matters are concerned, specifically, (1) enhancing cross-border supply chain security mutual cooperation; (2) harmonizing supply chain security control measures and security program requirements; and (3) the establishment, promotion and adoption of a single-window environment were the items adopted by customs authorities that had the most cooperation from OGAs. In terms of the different regions, the customs authorities of the member economies of the Americas cooperated the most with OGAs in relation to (1) the establishment, promotion and adoption of a single-window environment, and (2) cross-border supply chain security mutual cooperation, while the customs authorities of the other member economies cooperated the most in regard to (1) harmonizing the supply chain security control measures and security program requirements, and (2) cross-border supply chain security mutual cooperation.

As for the OGA practices that provided benefits to AEOs, the most significant was (1) recognizing the AEO standards to simplify their work and eliminate duplication and re-examination, which accounted for 38% of all practices, followed by (2) reducing the number of physical export inspections and priority treatment or reductions of fees for permits and authorizations, which accounted for 34% of all practices, and (3) other policy support, etc., which accounted for 29% of all practices. The member economies whose customs obtained the most AEO benefits from SAFE Pillar 3 cooperation with OGAs were Singapore; China; Viet Nam; Australia and Malaysia.

In general, the customs authorities of APEC member economies had promoted cooperation with OGAs, and customs' attitudes were more positive than indicated by previous studies. Customs focused not only on the implementation of the AEO program itself, but also on the implementation of cooperation in line with SAFE Pillar 3, such as in communication between programs, the sharing of information, the reorganization of government organizations, the risk management of import and export goods, and the signing of cooperation memorandums.

This study found that the customs authorities of APEC member economies have made great progress in promoting cooperation with OGAs, but customs and OGAs still observed different laws and regulations. How to achieve a balance between trade facilitation and supply chain security control is the biggest challenge for customs. If customs authorities do not obtain sufficient authorization from the high levels of government, as long as there was a risk-averse attitude from OGAs, it would be difficult for customs to achieve clear coordination outcomes. Even if the attitude of OGAs were well-coordinated, because of the differences in regulatory authorization, it would take a lot of time and effort to coordinate efforts and reach a consensus.

Based on the achievements of APEC member economies' promotion of customs cooperation with OGAs, this study proposes a Best Practices Manual for AEO programs based on Pillar 3 of the SAFE Framework. The purpose of the Best Practices Manual is to deal with the challenges of digital trade and supply chain security brought about by the rise of e-commerce and supply chain restructuring in international trade. The main task of the AEO program in the future is to implement existing practices, further promote the expansion of the scope of application and incorporate the risk standards of OGAs. This study proposes that APEC member economies can expand the four best practices for promoting AEO programs, namely, improving cooperation between customs and OGAs, increasing the types of AEO certification, promoting AEO compliance standards for cross-border e-commerce, and implementing more AEO benefits.

This study and IDB's 2020 report have identified that the inclusion of SME participation and OGA collaborative participation is the top priority for promoting the AEO program, and it is also an area where APEC needs to allocate more efforts and resources. In terms of the collaborative participation from OGAs, this study puts forward the following recommendations:

**Recommendation 1: Leverage the AEO program as a bridge for OGAs to participate in supply chain security and facilitation**

To successfully achieve a balance between security and facilitation in the supply chain, customs network arrangements, AEO programs, and collaboration between customs and OGAs are indispensable. The arrangement of the AEO system is the best collaborative project between the two agencies. The AEO program must be institutionalized so that OGAs can participate in jointly setting certification standards, inspections, training, counseling, etc. The institutionalization of AEO programs can make AEO programs the work and performance of OGAs. Since there are many OGAs, AEO certification can be divided into two categories: simplified customs clearance and security. The latter is to incorporate suitable safety standards in response to the needs of OGAs. Increasing such AEO certification will create more opportunities to incorporate more SMEs and create new AEO benefits.

**Recommendation 2: Strengthen the coordination between customs authorities and OGAs**

Customs and OGAs must strengthen coordinated border management. The practice can include the central agency's policy plan as a supervision project, collaborative certification screening, information-sharing, collaborative inspection or sampling, and joint office work to avoid duplication and improve efficiency. It is very important for the promotion process to increase mutual understanding and mutual trust to effectively increase the willingness and effectiveness of cooperation.

**Recommendation 3: Continue to accumulate and share best practices for Pillar 3 of the SAFE Framework**

The time to implement Pillar 3 of the SAFE Framework is short, and the best practices provided by APEC members are still not enough. Therefore, APEC should hold regular seminars to accumulate information in this area and incorporate it into the manual for reference by APEC economies.

**Recommendation 4: Create more concrete AEO benefits for companies**

As the currently available information shows, APEC members have quite different AEO certification types and AEO benefits. Therefore, APEC can first provide members with mutual learning through various channels, and implement to reduce differences and provide more known AEO benefits. Secondly, customs authorities and OGAs could understand each other's tasks of supply chain security at the border, and on this basis, jointly innovate and develop new AEO benefits that are of interest to companies so as to effectively attract more high-quality businesses to join the AEO program.

**Recommendation 5: Establish certification requirements for cross-border e-commerce**

In the face of small-volume, low-priced, and multi-batch e-commerce cross-border transactions, customs authorities need to cooperate with OGAs to achieve a balance between security and trade facilitation. OGAs' licensing operations should take special measures for e-commerce operators. In the initial stage, preferential treatment can be given to e-commerce enterprises that have obtained AEO certification to encourage e-commerce enterprises to participate in AEO programs.

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## **Acronyms and Other Initials**

<b>ABF</b>	Australian Border Force
<b>AEO</b>	Authorized economic operator
<b>FoS</b>	Framework of Standards
<b>APEC</b>	Asia-Pacific Economic Cooperation
<b>CAA</b>	Civil Aviation Authority
<b>CBP</b>	Customs and Border Protection
<b>DGAC</b>	General Administration of Civil Aviation
<b>ICA</b>	Immigration and Checkpoints Authority
<b>ICPR</b>	Importing Countries' Phytosanitary Requirements
<b>GACC</b>	General Administration of Customs of China
<b>MOU</b>	Memorandum of Understanding
<b>MPI</b>	Ministry for Primary Industries
<b>OGA</b>	Other Government Agency
<b>OMAR</b>	Overseas Marketing Access Requirements
<b>RACA</b>	Regulated Air Cargo Agents
<b>SCCP</b>	Sub-Committee on Customs Procedures
<b>SES</b>	Secure Export Scheme
<b>STP</b>	Secure Trade Partnership
<b>TFA</b>	Trade Facilitation Agreement
<b>WCO</b>	World Customs Organization
<b>WTO</b>	World Trade Organization

## Annex SAFE Pillar 3 APEC Questionnaire

### AEO Benefits Survey 2019 based on the WCO SAFE Framework of Standards in Pillar 3 [Questionnaire]

#### I. Background

In the era of e-commerce/digital economy, new technologies have reduced transaction costs, improved the time required for logistics, accelerated cargo clearance, and enabled convenient digital payment. Case studies have shown that goods trade, services trade and data flow increase substantially with the development of e-commerce/the digital economy. However, the aforementioned changes have restructured the global supply chain, and border control agencies are faced with new challenges in relation to trade facilitation and trade security.

The APEC Policy Support Unit (PSU) conducted a study on the current status of the AEO programs of APEC Economies. The results were published under the title, *Study of APEC Best Practices in AEO Programs* (hereinafter referred to as “*the AEO Study*”) in May 2016, which indicated that around 76.5 percent of respondents had engaged in some form of communication with other government agencies in their AEO program.

World Customs Organization (WCO) members adopted *the SAFE Framework of Standards to Secure and Facilitate Global Trade* in 2005. The Framework has since been regularly updated to effectively address new and emerging developments in the international supply chain. One of the notable additions has been the provisions for Pillar 3 (Customs-to-Other Government and Inter-Government Agencies). The Standards and Technical Specifications for Implementation Cooperation between Customs-to-other government and inter-government agencies were published under the title, *SAFE Framework of Standards* in June 2018.

In order to better understand the implementation status of the WCO’s Pillar 3 of the SAFE Framework in the APEC Region and the potential benefits for AEO programs, this survey tries to focus on SAFE Pillar 3 standards and technical specifications and the AEO benefits that other government organizations have provided.

The outcome of this survey, combined with the analyses of government agencies’ cooperation with Customs on the implementation of standards and technical specifications in the field of international trade and supply chain security and the benefits of AEO, will further support the implementation of AEO programs in the APEC region.



## II. Questionnaire

**2.1 Has your Customs cooperated with other government agencies (OGAs) in the area of international trade and supply chain security? Which of the following types of purposes does the cooperation focus on to foster and establish international harmonization and reduce trade and the government burden?**

- No
  - Yes (please select one or more of the following)
    - Cooperation with transportation authorities and harmonization of security programs, such as security certification programs, the initial security assessment procedure, information exchange, and compliance control alignment with follow-up activities, assessment processes and secure operator validation.
    - Exchange of information, training, technical assistance, capacity building, alignment of business hours where appropriate, and the sharing of equipment through mutual cooperation of supply chain security across borders.
    - Harmonizing the processes, measures, or strategies of various agencies and harmonizing the requirements of the various security programs, such as joint inspections, collaboration in aligning requirements, enhancing member benefits and minimizing unnecessary duplication to enhance the security of the international supply chain.
    - Development of mechanisms and plans of continuity and resumption measures to continue trade in the event of a disruptive incident.
    - Developing a Single-window system that is tightly integrated with commercial processes and information flows in the global supply chain.
    - Developing and maintaining cooperative arrangements to improve the efficiency of the functions and responsibilities of various agencies, and coordinating cross-border management functions.
    - Other cooperation matters. Please be as specific as possible.
- 

**2.2 Is your Customs involved with supply chain security across borders and does it offer the AEO the benefits provided by OGAs?**

- No
  - Yes (select one or more of the following AEO benefit items)
    - Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
    - Expeditious visa processing for qualified employees of AEOs;
    - Decreasing the number of physical export inspections for OGAs;
    - Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
    - Recognition of AEO criteria by other agencies in their simplification and reform efforts;
    - Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
    - Providing policy, business, management and other support;
    - Other AEO benefits. Please be as specific as possible.
-

**2.3 Does your Customs coordinate with OGAs to harmonize the supply chain security control measures and security program requirements? Does your Customs offer the AEO benefits provided by OGAs?**

- No
  - Yes (please select one or more of the following AEO benefit items)
    - Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
    - Expeditious visa processing for qualified employees of AEOs;
    - Decreasing the number of physical export inspections for OGAs;
    - Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
    - Recognition of AEO criteria by other agencies in their simplification and reform efforts;
    - Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
    - Providing policy, business, management and other support;
    - Other AEO benefits. Please be as specific as possible.
- 

**2.4 Does your Customs work with OGAs responsible for developing continuity and recovery measures in the event of a trade disruptive incident in order to offer the AEO the benefits provided by OGAs?**

- No
  - Yes (please select one or more of the following AEO benefit items)
    - Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
    - Expeditious visa processing for qualified employees of AEOs;
    - Decreasing the number of physical export inspections for OGAs;
    - Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
    - Recognition of AEO criteria by other agencies in their simplification and reform efforts;
    - Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
    - Providing policy, business, management and other support;
    - Other AEO benefits. Please be as specific as possible.
- 

**2.5 Does your Customs work with other government agencies to establish, promote and adopt a single-window system and offer the AEO the benefits provided by OGAs?**

- No
- Yes (please select one or more of the following AEO benefit items)
  - Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;

- Expeditious visa processing for qualified employees of AEOs;
  - Decreasing the number of physical export inspections for OGAs;
  - Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
  - Recognition of AEO criteria by other agencies in their simplification and reform efforts;
  - Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
  - Providing policy, business, management and other support;
  - Other AEO benefits. Please be as specific as possible.
- 

**2.6 Has your Customs developed a cooperative arrangement with OGAs to improve the efficiency of the functions and responsibilities of various agencies, and to coordinate cross-border management functions in order to offer the AEO the benefits provided by OGAs?**

- No
- Yes (please select one or more of the following AEO benefit items)
  - Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
  - Expeditious visa processing for qualified employees of AEOs;
  - Decreasing the number of physical export inspections for OGAs;
  - Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
  - Recognition of AEO criteria by other agencies in their simplification and reform efforts;
  - Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
  - Providing policy, business, management and other support;
  - Other AEO benefits. Please be as specific as possible.

**2.7 Does your Customs engage in any other cooperation with OGAs and offer the AEO benefits provided by OGAs?**

- No
- Yes

**a. Please specify other items of cooperation.**

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**b. Please select one or more of the following AEO benefit items**

- Recognizing that the criteria for certifying AEO status are identical to or correspond with OGAs security program status criteria so as to eliminate duplication and re-examination of the same areas and operations;
- Expeditious visa processing for qualified employees of AEOs;
- Decreasing the number of physical export inspections for OGAs;
- Priority treatment or reductions in fees and charges by OGAs in processing licenses, certificates, permits, and other authorizations;
- Recognition of AEO criteria by other agencies in their simplification and

- reform efforts;
- Funding or assistance through training assistance schemes and development programs to enhance companies' capabilities in supply chain security;
  - Providing policy, business, management and other support;
  - Other AEO benefits. Please be as specific as possible.
- 

**2.8 Please describe the best practices of cooperation between Customs and other government agencies for providing AEO benefits.**

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**2.9 Please describe the most challenging Customs practices in cooperating with other government agencies to offer AEO benefits.**

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**2.10 Basic Information**

**Member Economy:**

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**Agency:**

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**Title:**

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**Name:**

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**E-mail:**

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*End of survey*