Japanese Experience on Developing AEO



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- 1. Overview of Japan's AEO program
- 2. Expansion of Japan's AEOs
- 3. Benefits of Japan's AEOs

1. Overview of Japan's AEO program

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1.1 Development of

Risk and Compliance-based Approaches (Overview)

Former import/export procedures Paper Declaration Examination/ inspection have been conducted on the basis of experience and intuition of officers

Introduction of Risk-Based Approach 1978-

NACCS System

Selection of examination / inspection of cargo with riskassessment including profile

Selected system

1 Immediate permission

bv

- 2 Document exam
- 3 Physical inspection

Introduction of Systems of Compliance-Based Approach 2001-

Practical methods ⇒ Legislation

Simplified Declaration System (import)

Separation of release of goods and duty payment declaration applicable for good compliant importer

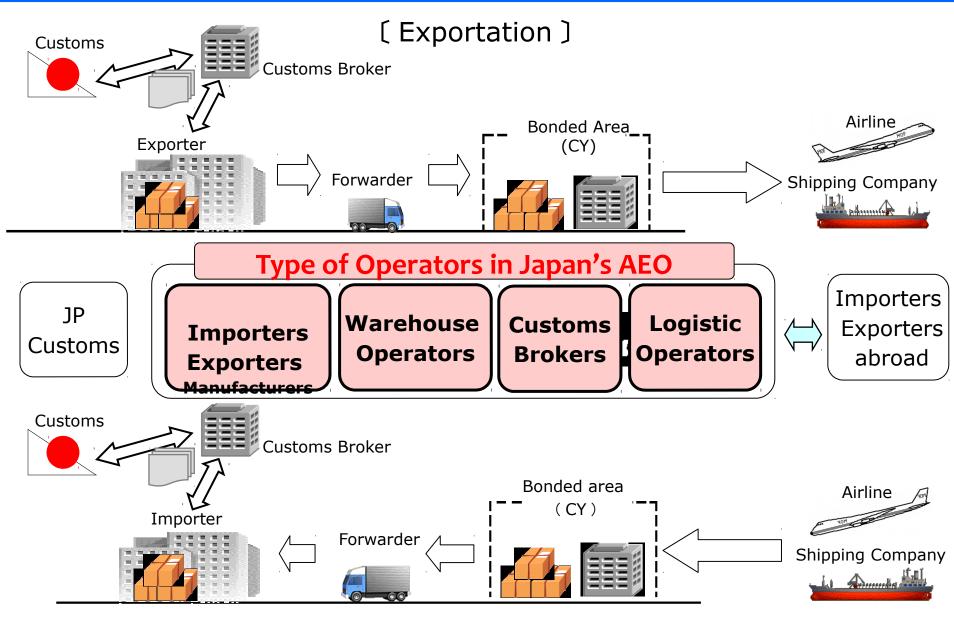
Japan's Accession of RKC in June, 2001

Establishment of AEO Program 2006-

Consisting with Better Security and Trade Facilitation

- Authorized Exporters' Program (2006.3-)
- Authorized Importers' Program (2007.4-)
- Authorized Warehouse Operators' Program (2007.10-)
- Authorized Customs Brokers' Program (2008.4-)
- Authorized Logistics Operators' Program (2008.4-)
- Authorized Manufacturers' Program (2010.7-)

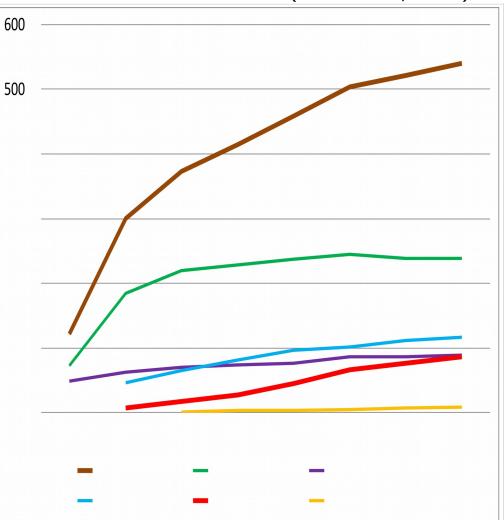
1.2 Scope of Japan's AEO Program



1.3 Current Situation

(as of Feb 9, 2015)

Exporters (2006.3 ~)	238 Exporters
Importers (2007.4 ~)	89 Importers
Warehouse Operators (2007.10 ~)	117 Warehouse Operators
Customs Brokers (2008.4 ~)	90 Customs Brokers
Logistic Operators (2008.4 ~)	8 Logistic Operators
Manufactures (2009.7 ~)	



Total: 542 AEOs

1.4 Requirements of Japan's AEO Program

Consistent with "WCO SAFE FoS"

- Organizational Set-up
- Contracting parties (Business Partners) Requirement
- Cargo/Conveyance/Premises Security
- Due Customs Procedures
- Consultation/Cooperation/Communication with Customs
- Crisis Management
- Education/Training
- Internal Audit

1. Overview of Japan's AEO program

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2.1 _ Expansion of AEO scheme

- JP Customs gradually expands its AEO scheme
 - Exporter <2006.3~>
 - Importer <2007.4~>
 - Warehouse operator <2007.10~>
 - Customs Broker <2008.4~>
 - Logistic operator < 2008.4 ~>
 - Manufacture <2010.7~>

All Key players are covered!

2.2 Purpose of Expansion

- Why does JP Customs expand its AEO scheme
 - 1. Comprehensive approach
 - 2. Cover international supply chain
 - Involve related Customs procedures
 - 4. Bring synergy effect
 - 5. Ensure further trade security
 - 6. Expedite international trade

Aim more effective and beneficial!

2.3 _ Challenges of Expansion

JP Customs has faced

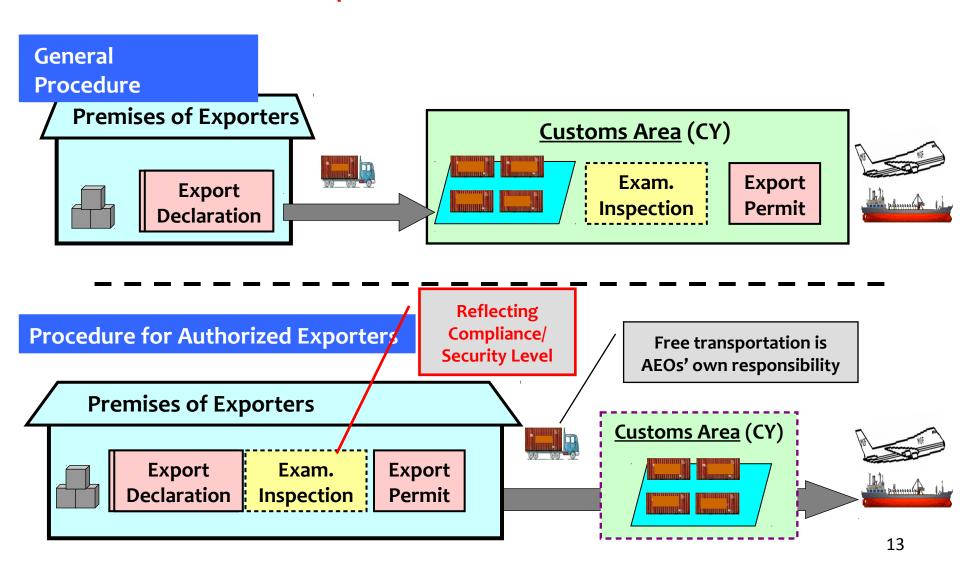
- 1. Design appropriate program (criteria, benefits etc.) for each operator
- 2. Amend Customs laws and regulations
- 3. Build Customs' operational capacity
- 4. Draw the attention of the operators

Clear Benefits are required!

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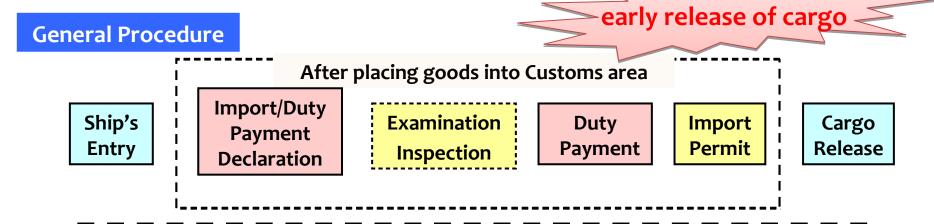
3.1 Benefits of Japan's AEOs: Exporters

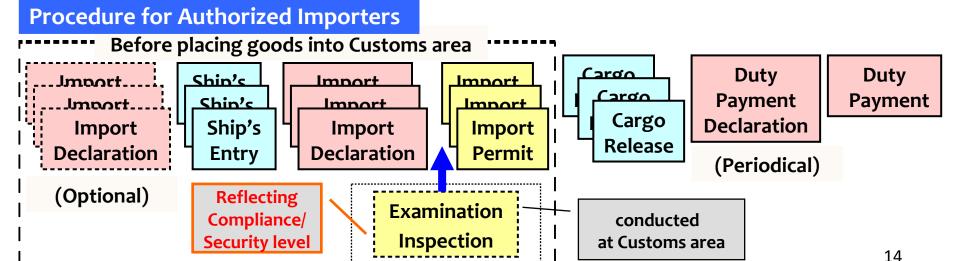
- The requirement to store goods in the Customs area is waived
- Reduced examination and inspection



3.2 Benefits of Japan's AEOs: Importers

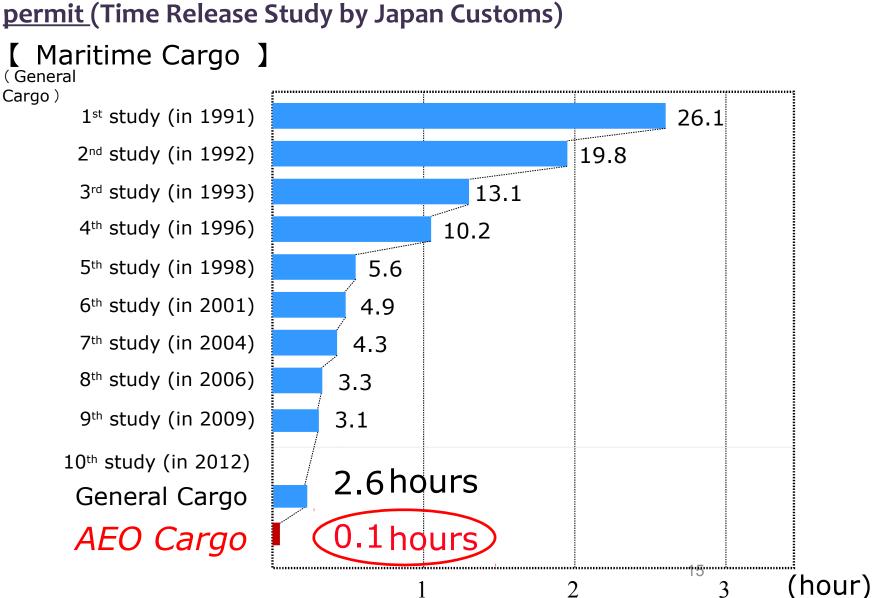
- Reduced examination and inspection
- Pre-arrival lodgement of import declaration and permission
- Release of cargo before duty/tax payment declaration and duty/tax payment
- Periodical lodgement of duty/tax payment declaration





3.3 Benefits of Japan's AEOs: Effects of AEO Importers

<u>Mean Time required for a time period from Customs declaration to Import permit</u> (Time Release Study by Japan Customs)



3.4 Benefits of Japan's AEO Program: Other Operators

AEO Warehouse Operators:

- Establishment of a new Customs warehouse only by notification
- Compliance reflected reduced audit
- Free monthly fee

AEO Logistics Operators:

- Customs transit without permission from Customs

AEO Customs Brokers:

- Pre-arrival lodgment of import declaration
- Periodical lodgment of duty/tax payment declaration
- Waive the requirement to store goods in the Customs area for export declaration
- Selection of Customs offices to lodge export/import declarations

AEO Manufacturers:

- Waive the requirement to store goods in the Customs area for export declaration for cargo manufactured by AEO Manufacturers

Thank you!



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