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Review of Accredited Operator Programs

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Accredited Operator Programs

Emerging ‘Accredited Operator’ concept:
• Regulated Shipper
• Regulated Agent
• Accredited Agent
• Trusted Trader
• Authorised Economic Operator
• Approved Exporter
• Registered Operator
Project Funding

The project was funded through the Australian International Trade and Transport Industry Development Fund with the support of:

• Customs Brokers and Forwarders Council of Australia
• Australian Federation of International Forwarders
• Export Council of Australia
• Conference of Asia Pacific Express Carriers
• Shipping Australia
Research Objectives

• To develop an industry position for presentation to Government
• To identify options for maximising the relevance of the scheme and minimising compliance costs
• To ensure that Australian industry is able to compete on an equal footing with its overseas competitors, particularly when exporting to countries with similar arrangements in place
• To identify a whole-of-government solution
The traditional focus of partnership programs has been a trader’s general compliance with customs requirements:

- Swedish ‘Stairway’ program
- ‘Trusted Trader’ programs
- ‘Gold Card’ programs
- ‘Accredited Client’ programs
Partnership Programs

Security initiatives have introduced an additional concept of ‘partnership’

– **Compliant Trader**: those having a high level of compliance with regulatory requirements

– **Authorised Economic Operator**: those who satisfy the SAFE criteria
Global Implementation

• Over 160 countries have implemented or are in the process of implementation
• Some programs relate solely to supply chain security, others include trade compliance
• Some focus on both imports and exports, some only imports and some only exports
• The focus of Mutual Recognition is on security
# Programs in Operation

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## Mutual Recognition Arrangements

### CURRENT
- New Zealand-USA
- Japan-New Zealand
- Canada-USA
- Jordan-USA
- Japan-USA
- EU-Norway
- EU-Switzerland
- Canada-Japan
- Canada-Korea
- Canada-Singapore
- EU-Japan
- Korea-Singapore
- Korea-USA
- Andorra-EU
- Japan-Korea
- Korea-New Zealand
- Japan-Singapore
- EU-USA
- China-Singapore
- Taiwan-USA
- Singapore-Taiwan (pilot)
- China-Hong Kong, China
- India, Hong Kong, China

### UNDER NEGOTIATION
- China-EU (pilot since 2009)
- China-Japan
- Japan-Malaysia
- China-Korea
- Hong Kong, China-Korea
- India-Korea
- Israel-Korea
- Norway-Switzerland
- Singapore-USA
- Switzerland-USA
- Israel-USA
- Mexico-USA
- China-USA
- Hong Kong, China-Singapore
- Israel-Taiwan
- India-Taiwan
- Singapore-Taiwan
- China-Taiwan
- New Zealand – Singapore
- Japan-Switzerland

### FUTURE NEGOTIATIONS
- Korea-Indonesia
- Canada - EU
- EU - Korea
- EU - New Zealand
- EU – Singapore
- Hong Kong, China – Japan
- Hong Kong, China - Malaysia
- Hong Kong, China – New Zealand
- Hong Kong, China - Taiwan
- Hong Kong, China - Thailand
- Rwanda - other East African Community (EAC) countries
- Japan – Vietnam
Parallels with ICAO Initiatives

Scenario 1: unknown shipper and forwarder

Source: ICAO/WCO 2013
Parallels with ICAO Initiatives

Scenario 2: unknown shipper, regulated agent

Source: ICAO/WCO 2013
Parallels with ICAO Initiatives

Scenario 3: known shipper and regulated agent

Source: ICAO/WCO 2013
Cross-Agency Recognition

- Agriculture
  - Export Registered

- Transport Security
  - Regulated Shipper/RACA

- Customs
  - Trusted Trader
Free Trade Agreements

Mutual Recognition of AEO programs is emerging as a component of FTA negotiations, for example EU-Singapore:

“The Parties will make all reasonable efforts and aim to reach an agreement on mutual recognition of their respective AEO programmes ideally after one year, but no later than two years, from the entry into force of this Agreement”
Key Research Findings

• A trader is more likely to face delays and costs associated with inspections if its goods are not recognised as ‘low risk’ by the destination country.

• Under SAFE, the definition of high risk cargo is that “for which there is inadequate information or reason to deem it as low risk”.

• Movement of cargo within a secure supply chain is emerging as a prime reason for deeming it ‘low risk’.

• The concept of the ‘Authorised Supply Chain’ is therefore becoming a reality.
Key Research Findings

• Exporters will be disadvantaged if no national AEO scheme is available

• There should be a different focus on import and export elements of the scheme:
  – **Export:** main focus on supply chain security to maximise opportunities for Mutual Recognition (but also a need to ensure trade compliance)
  – **Import:** main focus on trade compliance (but also a need to ensure minimum levels of supply chain security)
Key Research Findings

• The development of two separate elements provides an opportunity to phase in the program
• The more immediate requirement is the need to mitigate the risk of erosion of Australian exporters’ competitive position in the global marketplace
• Both elements of the program should include service providers as well as traders
• SMEs should have an opportunity to enter a secure supply chain through the use of accredited service providers (i.e. the ICAO model)
Key Research Findings

• Key elements required to minimise the regulatory burden on traders include:
  – Interagency coordination, including cross-agency recognition of ‘Authorised Operator’ schemes, i.e. ‘National Mutual Recognition’
  – Industry self-assessed compliance statements should not be audited 100% by Customs as a matter of course; an appropriate risk management approach to verification should be adopted
Key Research Findings

Key benefits proposed by Industry:
• Priority inspection if examination required
• Reduction of ‘enforcement’ fees and charges
• Appointment of an Account Manager
• Expedited processes to resolve queries
• Access to AEO benefits in destination countries
• Priority response to requests for rulings, e.g.
  – Tariff Classification
  – Valuation
  – Tariff Concession eligibility
Recent Developments

• ACBPS has announced that it will be introducing a ‘Trusted Trader’ program
• The Research Report is a key reference document
• Industry has an opportunity to provide its views and help shape the scheme – Customs is already engaging with industry
• Inter-agency collaboration is already underway
• Mutual Recognition agreements will be pursued, initially with principal trading partners