Recent Developments of AEO Program in Japan

(Workshops Session 5, Track D)

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Ministry of Finance, Japan
1. Scope of Japan’s AEO Program
2. Benefits
3. Recent Developments
4. MRA : Current Status
5. Technical Cooperation on AEO
1. Scope of Japan’s AEO Program
Scope of Japan’s AEO Program

Type of Operators in Japan’s AEO

Importers
Exporters
Manufacturers

Warehouse Operators

Customs Brokers

Logistic Operators

Importation

Exportation

Airline
Shipping Company

Customs

Forwarder

Customs Area

Importer

Exporter

Customs Broker

Forwarder

Customs Area

Importers abroad

Airline
Shipping Company

Customs

Customs Broker

Importers

Exporters

Manufacturers

Warehouse Operators

Customs Brokers

Logistic Operators
**Number of AEOs: Current**

(as of April 18, 2016)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Exporters</td>
<td>240</td>
</tr>
<tr>
<td>Importers</td>
<td>91</td>
</tr>
<tr>
<td>Warehouse Operators</td>
<td>127</td>
</tr>
<tr>
<td>Customs Brokers</td>
<td>121</td>
</tr>
<tr>
<td>Logistic Operators</td>
<td>8</td>
</tr>
</tbody>
</table>

**Total: 587 AEOs**
Number of AEOs: Transition

- Logistics Operator
- Customs Broker
- Warehouse Operator
- Importer
- Exporter

Year: 2007 - 2016.4.18

2007: 46
2008: 100
2009: 206
2010: 233
2011: 239
2012: 242
2013: 238
2014: 236
2015: 237
2016.4.18: 240

Total: 53, 175, 342, 402, 439, 469, 501, 523, 549, 587
2. Benefits
Benefits for Japan’s AEOs: Exporters

- Export procedures can be completed while cargo is still at AEO’s own premise
- Compliance-reflected reduced examination & inspection is applicable

General Procedure

Premises of Exporters

Export Declaration

Customs Area

Examination
Inspection

Export Permit

Export Declaration

Examination
Inspection

Export Permit

Procedure for AEO Exporters

Compliance Reflected
Benefits for Japan’s AEOs: Importers

- Compliance-reflected reduced examination & inspection
- Pre-arrival lodgment of import declaration and permission
- Release of cargo before duty/tax declaration & payment

General Procedure

Before placing goods into Customs area
- Import Declaration
- Ship’s Entry
- Conducted at Customs area
- Examination Inspection
- Import Permit

After placing goods into Customs area
- Import/Duty Payment Declaration
- Examination
- Inspection
- Duty Payment
- Import Permit

Procedure for AEO Importers

Before placing goods into Customs area
- Import Declaration
- Ship’s Entry
- Import Permit
- Duty Payment Declaration
- Duty Payment
- Compliance Reflected
**AEO Benefits:**

**Reduced Examination & Inspection**

**Mean Time: “Customs Declaration” to “Import permit”**

(Time Release Study by Japan Customs)

<table>
<thead>
<tr>
<th>Study Year</th>
<th>Initial Time (Hour)</th>
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<tbody>
<tr>
<td>1st (1991)</td>
<td>26.1</td>
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<tr>
<td>4th (1996)</td>
<td>19.8</td>
</tr>
<tr>
<td>8th (2006)</td>
<td>10.2</td>
</tr>
<tr>
<td>9th (2009)</td>
<td>5.6</td>
</tr>
<tr>
<td>10th (2012)</td>
<td>3.1</td>
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**AEO Cargo**

- 2.6 hours
- 0.1 hours
3. Recent Developments
For SMEs:
- Same Requirements but Flexible Application in verifying Customs Compliance and Security

For AEO Importers, Exporters, & Customs Brokers:
- Relaxation of Geographical Constraint on Import/Export Declarations
Allow AEO Importers, Exporters, & Customs Brokers (with Non-AEO Importer/Exporter) to submit customs declarations to any customs office, regardless of the cargo location.
(Scheduled to be implemented within 2 years)

Big Cost Reduction can be Realized!
4. MRA: Current Status
7 MRAs are Signed & Fully in Effect.

<table>
<thead>
<tr>
<th>Date</th>
<th>Country</th>
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<tbody>
<tr>
<td>May 2008</td>
<td>New Zealand</td>
</tr>
<tr>
<td>June 2009</td>
<td>USA</td>
</tr>
<tr>
<td>June 2010</td>
<td>Canada</td>
</tr>
<tr>
<td>June 2010</td>
<td>EU</td>
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<td>May 2011</td>
<td>Korea</td>
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<tr>
<td>June 2011</td>
<td>Singapore</td>
</tr>
<tr>
<td>June 2014</td>
<td>Malaysia</td>
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</table>
5. Technical Cooperation on AEO
Contribute to Global AEO Program Development & MRA Network

Completed TC Programs for Asia (FY2015)
Indonesia, Thailand, ASEAN(all), CLMV, etc. (covered more than 130 Customs Officials)

Explore TC collaboration with MDBs (WB, ADB, IDB)
- Assistance to Pacific Alliance on AEO MRAs through IDB
Collaboration on AEO under TCHM (Tripartite Customs Heads Meeting) among Japan-China-Korea

TCHM has developed “Action Plan” & sets up 4 WG including AEO WG.

AEO “Action Plan”:
1) MRAs among the three Customs Administrations
2) Cooperation in Multilateral Fora (WCO, APEC, etc.)
3rd AEO WG Meeting (April 20-21, 2016: Tokyo)

- WG Meeting
  - Possible Future Multilateral Collaboration on MRAs

- Bilateral: Japan-Korea
  - Work on Raising the Level of MRA Utilization

- Bilateral: Japan-China
  - Progress made for Japan-China AEO MRA
Thank you
Gracias
ありがとうございました。