

Synergies between AEO & RA/KC: Pilot in Vietnam

**3rd Global AEO
Conference**



WCO | MEXICO

2016

11 to 13 MAY

Outline

- ☑ Introduction of speakers
- ☑ Background
- ☑ Joint Mission in Vietnam
- ☑ Outcomes
- ☑ Questions



Background

2010 Yemen cartridge incident raised global security concern



Result

- WCO and ICAO identified synergies and partnered to align the Authorized Economic Operator (AEO) and the Regulated Agent/Known Consignor (RA/KC) programs
- WCO sought Member volunteers to embark on a pilot exercise
- Vietnam volunteered in February 2015 to embark on a pilot

AEO in Numbers

67 AEOs

48

Air Carriers

34

**Ground
Handling Agents**

49 AEO

**Air Cargo Terminal
Operators**

42

**Express and Postal
Operators**



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Gap analysis

WCO SAFE AEO



ICAO Annex 17
(KC/RA requirements)



Vietnam Customs'
AEO program



Vietnam NCASP
(KC/RA requirements)



Resources

3
AEO Experts
from WCO

2
Aviation Security
Experts from
ICAO

Airport site visit

1/2 Day

site visit to an
AEO company

1 Meeting

Between ICAO and Vietnam CAA

2

Site Visits at 2
Cargo Terminals at
the airport



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Gap Analysis Results

- Recommendations based on the comparison exercise and site visits
- 4 additional steps for full compliance and transparency of the Vietnamese AEO program



AEO & Aviation Security



2 Day Workshop

WCO & ICAO Government Industry stakeholders



ICAO Outcome

Findings

100% screening of cargo at airport

No provision for RA/KC in the NCASP

Recommendations

Potential benefits of adopting an RA/KC secure supply chain model, presented to the CAAV.

ICAO advised that should the CAAV decide to pilot a secure supply chain involving RAs and KCs, it would first be necessary for Vietnam to establish the appropriate legislative provisions and accompanying guidance material.

WCO Outcome

Recommendations

Plan a fully operational phase 2 oversight visit (processing of AEO application, validation, findings and areas of improvement)

Offer AEO validation training

Assistance on how to progress towards the Mutual Recognition Agreements

Expand the program to other trade sectors

AVSEC - Outcome

If CAAV proceed with KC/RA, regulatory framework required:

Annex 17 should be included in the NCASP

NCASP provisions should consider RA/KC in Chapter 13 and Appendices 31 and 32 of ICAO Manual

Airport committees should include representatives of the air cargo industry

Metric Outcomes

24% increase in tonnage from 2013 to 2014

Growth will continue

Vietnam's access to international markets will be hindered without robust trusted trader programs (e.g. KC, RA, AEO)

Potential Benefits

- ✓ Reduced duplication on validation and monitoring requirements
- ✓ Increased predictability and speed of supply chain
- ✓ Decreased airport congestion
- ✓ Reduced costs of getting air cargo to international markets
- ✓ Maximised trade facilitation benefits



Next steps



Ensure systems are in place to leverage from one trusted trader program into another without duplicating criteria

Implement recommend changes to the AEO program

Pilot test KC & RA programs with industry stakeholders and go live

Commitment from Vietnam CAAV to create KC & RA programs, developing related legislation



Thank you

Questions?