

WCO Member's AEO Programme Expansion to cross-border e-commerce

Template

Please provide detailed information about your Customs administration's experiences with expanding the AEO programme to cross-border e-commerce. Your insights will be used to identify best practices and challenges in this area.

1. WCO Member (Customs administration of...)
2. Last and First name of a Contact person (responsible for filling in this template)
3. Title/Position of a Contact person (responsible for filling in this template)
4. Email address of a Contact person (responsible for filling in this template)
5. Does your Customs administration have a provisions allowing e-commerce stakeholders to apply for AEO status?
 - Yes
 - No
6. What type of e-commerce stakeholders does your Customs administration provide AEO status to?
 - Vendor
 - E-commerce-platform/marketplace
 - Fulfillment house/centre
 - Postal operator
 - Payment service providers
 - Others (please specify): _____
7. What is the approximate share (in %) or total number of e-commerce stakeholders out of the total number of AEOs within your programme?
8. What criteria does your Customs administration apply to e-commerce stakeholder companies that wish to become AEOs? (Please select all that apply)
 - Demonstrated Compliance with Customs Requirements
 - Satisfactory System for Commercial Records Management
 - Financial Viability
 - Consultation, Cooperation and Communication
 - Education, Training and Threat Awareness
 - Information Exchange, Access and Confidentiality
 - Cargo Security
 - Conveyance Security
 - Premises Security
 - Personnel Security
 - Trading Partner Security
 - Crisis Management and Incident Recovery
 - Measurement, Analyses and Improvement
 - Reliability of networking technologies, in terms of data security and quality
 - Use of appropriate system to guarantee data confidentiality
 - Others (please specify): _____
9. What general benefits are provided to e-commerce stakeholder companies that attain AEO status? (Please select all that apply)

- Measures to expedite cargo release, reduce transit time and lower storage costs:
 - a) Access to dedicated fast lanes at land borders;
 - b) Expedited processing and release of shipments;
 - c) Account-based processing rather than transaction-by-transaction clearance of accounts;
 - d) Low documentary and data requirements for cargo release, including, for example, allowing the Customs declaration to be lodged by means of an entry in the records of an authorized person, to be subsequently backed up by a supplementary Customs declaration;
 - e) A single customs declaration for all imports or exports in a given period;
 - f) Pre-qualification for simplified procedures;
 - g) Priority for the revision of cargo/goods declaration;
 - h) Choice of location for control/clearance of goods at the premises of the authorized economic operator or another place authorized by customs;
 - i) Faster clearance at transit points and fewer checks en route;
 - j) Minimum number of cargo security inspections;
 - k) Low rate of physical inspections and examinations;
 - l) Prior notification and treatment in case of selection for physical controls;
 - m) Priority use of non-intrusive inspection techniques when examination is required;
 - n) Reduction of applicable fees or charges for AEOs;
 - o) Favourable treatment concerning Customs assessment of liquidation damages;
 - p) Use of AEO's commercial records to self-assess their duty and tax liability and, where appropriate, to ensure compliance with other Customs requirements;
 - q) Deferred payment of duties, taxes, fees, and charges or periodic payment of duties/taxes;
 - r) Tax privileges to be granted by speedier processing of tax refunds, drawback, and other permissions/authorizations;
 - s) Use of comprehensive guarantees or reduced guarantees;
 - t) Assigning dedicated account managers to help companies coordinate and resolve Customs issues and related matters or access to a dedicated helpdesk, Client Coordinator, contact point, Supply Chain Security Specialist (SCSS), etc.;
 - u) Extended Customs services beyond normal working hours;
 - v) Priority response to request for rulings from national Customs authorities;
 - w) Potential reduction in or exemption from warehousing and licensing fees and charges.
- Measures to facilitate post-release processes:
 - a) Simplified post-entry or post-clearance programmes;
 - b) Eligibility for self-audit or reduced audit programmes;
 - c) Expedited processes to resolve post-entry or post-clearance inquiries;
 - d) Ability to make corrective disclosures or take corrective actions prior to the initiation of Customs non-criminal administrative penalty procedures (excluding fraud).
- Special measures relating to periods of trade disruption or elevated threat level:
 - a) Priority Customs' processing during period of elevated threat conditions;
 - b) Priority treatment in post-incident resumption and trade recovery;
 - c) Priority in exporting to affected countries after an incident;
 - d) Ability to use fall-back procedures in case of Customs IT system failure.

- Participation in new trade facilitation programmes/initiatives:
 - a) Involvement in the development of new policies and programmes;
 - b) Priority involvement in new trade facilitation initiatives/pilots.
- Benefits provided by other government agencies:
 - a) Recognition under other government agencies' security programmes, such as Regulated Agent (RA) and Known Consignor (KC) within civil aviation, if an AEO applies for the status of Regulated Agent or Known Consignor, the respective security requirements are deemed to be met to the extent that the criteria for issuing the AEO status are identical to or correspond with those for RA or KC status. The same principle applies the other way around;
 - b) Expeditious visa processing for qualifying employees of AEOs;
 - c) Decreased number of physical inspections for export operations by other border agencies e.g. Narcotics and Police agencies;
 - d) Priority treatment and reduction in fees and charges by other government agencies in processing licenses, certificates, permits, and other authorizations (LCPO);
 - e) Recognition by other agencies in their simplification and reform programmes.
- Benefits under mutual recognition arrangements/agreements (MRAs)
 - a) International accreditation of supply chain;
 - b) Recognition by other Customs administrations via MRAs as a low-risk trader in the Customs automated risking system, which may lead to fewer examinations;
 - c) Improved economic efficiency through reduced time and costs associated with cross-border Customs controls due to priority treatment;
 - d) Reduced costs and time delays through priority inspections when cargo is selected, facilitating just-in-time deliveries;
 - e) Improved predictability and precision in moving goods from one's own territory to the territory of the trading partner whilst improving business competitiveness;
 - f) Reduced cargo theft and pilferage by improving the security of the bilateral/regional/plurilateral supply chain;
 - g) Targeted examinations so as to allow non-selected cargo belonging to the same trader to proceed without delay to the destination, to the extent possible;
 - h) Reciprocal or comparable security and compliance benefits whenever equivalent programmes exist;
 - i) Advice and assistance for unforeseen issues with overseas border agencies that have signed MRAs.
- Providing access to information of value to AEO participants:
 - a) Data such as names and contact information of other AEO participants, with the consent of AEOs;
 - b) List of all the countries having adopted the SAFE framework and implementing AEO programmes;
 - c) List of all recognized security standards and best practices;
 - d) Access to awareness sessions that provide information on supply chain security practices and processes;
 - e) Free and easy access to all e-Government/Customs services.
- Indirect benefits

- a) Enhanced trusted partnerships with Customs and other government agencies;
- b) Improved credibility and transparency within the Customs administration, the trading community, and international organizations, in line with international standards and conventions;
- c) More efficient use of resources by avoiding duplications and improvement of respective government programmes through information exchange;
- d) Participation in periodic capacity building and technical training activities organized by Customs for AEOs;
- e) Easy access to funding or assistance through training assistance schemes and development programmes offered by Customs and other government agencies;
- f) Recognition as a secure, safe, predictable and consistent business partner in the supply chain
 - i. Reduction in threats in the supply chains where AEOs are involved;
 - ii. Use of AEO logo for enhanced reputation and global visibility;
 - iii. Increased competitiveness, leading to further business opportunities;
 - iv. Easy access to the major facilities at the port of entry in the country of destination;
- g) Improved relations with Customs and other government authorities
 - i. The partnership established during the authorization process and continuous cooperation will help better understand each other and find jointly tailored solutions beneficial for both sides;
 - ii. First/priority consultation in the development of regulatory policies and programmes;
- h) Helping analyse in detail all related international supply chain processes which are generally assessed during the preparation of an AEO application
 - i. Identification of inefficiencies and gaps in management of the company and the supply chain;
 - ii. Implementation of best practice (e.g., better communication and cooperation between divisions, improved internal controls, transparency, and business process efficiency);
 - iii. Improved levels of compliance and fewer disputes;
 - iv. Improved supply chain visibility and predictability.
- i) Enhanced security and safety standards yield positive effects:
 - i. Improved visibility and tracking;
 - ii. Improved personnel security;
 - iii. Improved development of standards;
 - iv. Improved supplier selection and investment;
 - v. Improved transportation and conveyance security;
 - vi. Improved building of organizational infrastructure awareness and capabilities;
 - vii. Proactive investments in new technologies.
- j) Other indirect benefits that may result from the globally positive effects:
 - i. Improved integrity of shipments (reduction in theft, loss, pilferage);
 - ii. Higher customer satisfaction and loyalty (reduction in customer attrition and increase in the number of new customers);
 - iii. Improved inventory management (reduction in excess inventory and improved on-time delivery);
 - iv. Improved employee commitment and better employee hiring and exit processing policies and practice;

- v. Improved planning;
- vi. Reduced insurance costs.

10. What operator-specific benefits are provided to e-commerce stakeholder companies that attain AEO status? (Please select all that apply)

- Facilitation of return procedures including an electronic drawback/refund system based on consistent data requirements and efficient reconciliation between the imported and the returned goods
- Availability of an e-payment option for the payment of duties and taxes
- Electronic application for authorization process and electronic validation procedures
- Paperless declarations with no supporting documents supported by the submission of Advance Electronic Data
- Free to lodge export/import declaration with any Customs office
- Deferred payment of duties, taxes, fees, and charges or periodic payment of duties/taxes
- Tax privileges to be granted by speedier processing of tax refunds, drawback, and other permissions/authorizations
- Assigning dedicated account managers to help e-commerce stakeholders coordinate and resolve Customs issues and related matters
- Extended Customs services beyond normal working hours
- Priority response to online request for advance rulings on Customs Valuation, HS and Rules of Origin
- Potential reduction in or exemption from warehousing and licensing fees and charges
- Involvement in the development of new policies and programmes related to cross border e-commerce
- Other (please specify): _____

11. What challenges and obstacles did your Customs administration face while expanding the AEO programme to cross-border e-commerce?

- Lack of awareness among e-commerce stakeholders
- Resistance to participation
- Regulatory compliance issues
- Data security concerns
- Lack of a more comprehensive network of multilateral MRAs related to the same supply chain
- Lack of inclusiveness of all stakeholders belonging to the same business sector
- Other (please specify): _____

12. How did your Customs administration address or mitigate these challenges?

13. What lessons has your Customs administration learned from the process of expanding the AEO programme to cross-border e-commerce? Are there any insights or recommendations you can offer to other WCO Members considering similar initiatives?

14. What are your Customs administration's future plans and goals in continuing to engage e-commerce stakeholders through the AEO programme? Are there any new strategies or initiatives in the pipeline?

15. Please use this section to provide any additional comments, observations, or insights related to your experiences in expanding the AEO programme to cross-border e-commerce.