

# ***APEC Authorized Exporters Program*** **(APEC Regional AEO Program Initiative)**



**Asia-Pacific  
Economic Cooperation**



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**Background**



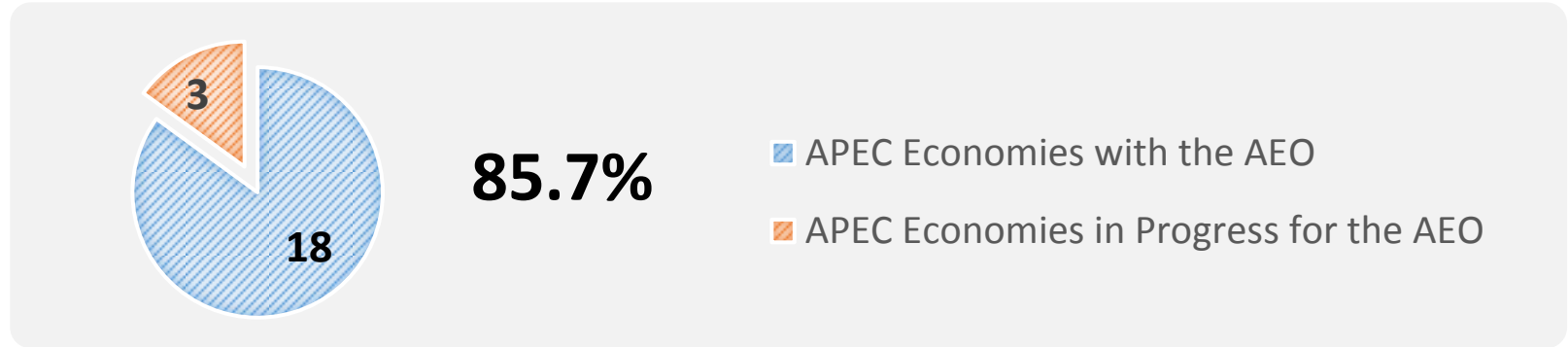
**Initiative Concept**

# Background

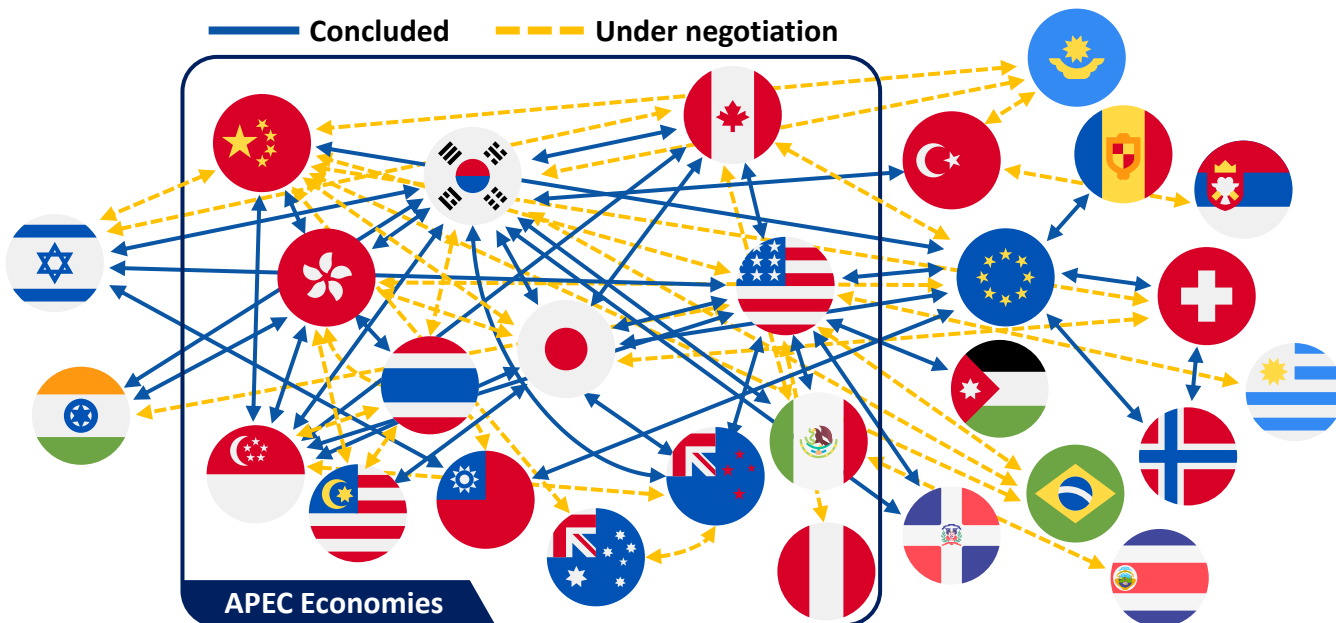
Efforts  
So Far

Achievements of  
APEC

## 1. Status of AEO Programs in APEC



## 2. Status of MRA Signed in APEC



**2016**

As of May in 2016, APEC economies signed **38** MRAs, Of which **26 (68%)** were between APEC economies.

Source: WCO Compendium of AEO Programs 2016 May and PSU Study of Best Practice

# Background

Efforts  
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Challenges

${}_{21}C_2=210$  bilateral MRAs are required for the full signing of MRAs within APEC but only **26 MRAs(12.3%)** have been signed

Also, the **differences and complexities among MRAs** and **efforts and costs for signing MRAs** **hinder** the full expansion of MRAs within APEC

Hence, a **multilateral approach** is necessary as a potential solution;

**APEC Authorized Exporters Program**

# Initiative Concept



**Process flow chart**

**Scope**

**Requirements**

**Benefits**

**Responsibilities of entities**

# Process flow chart

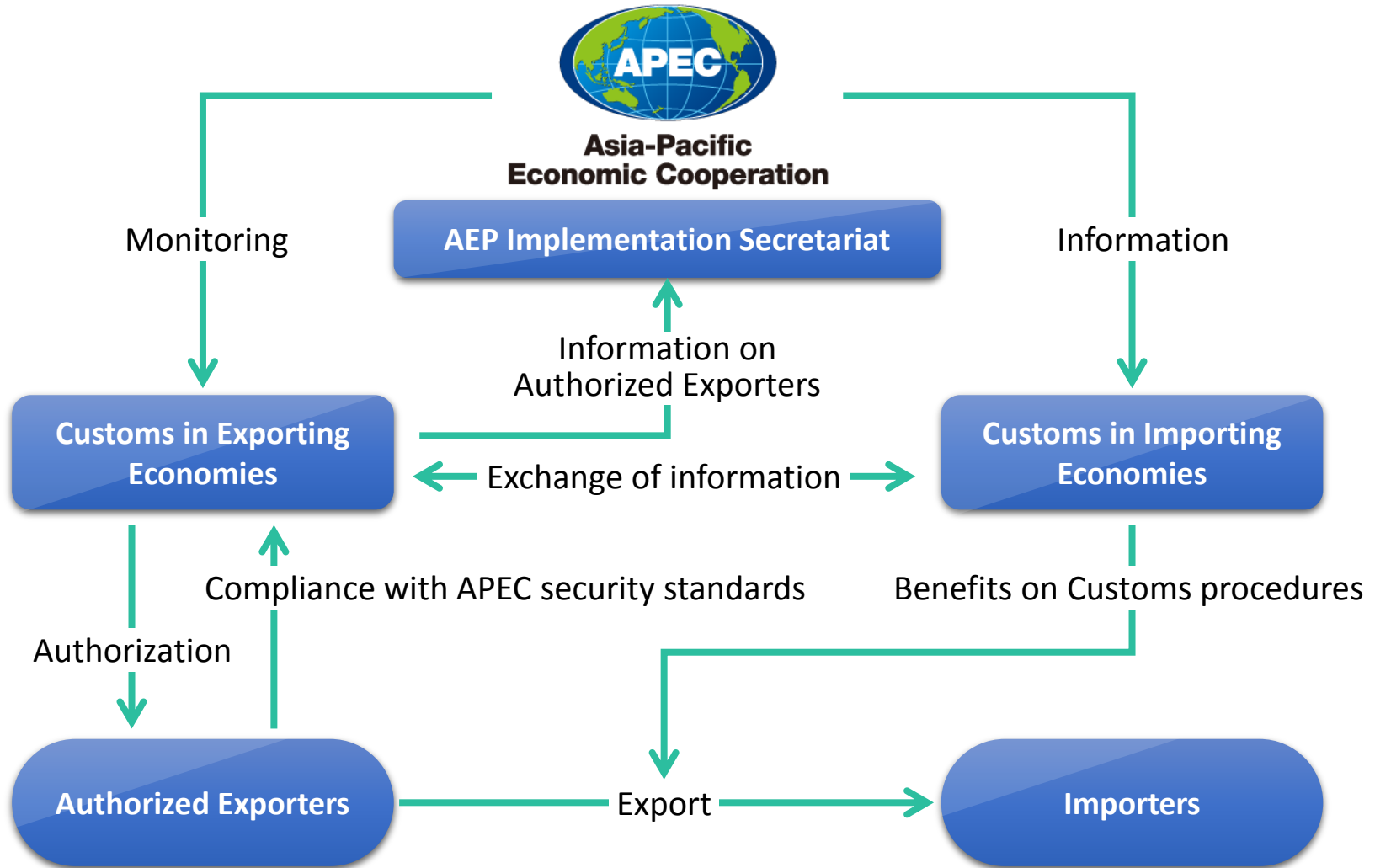
Efforts  
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Challenges

Process  
flow chart

- Manage the implementation of the AEP
- Publish periodic program review reports



# Scope

Efforts  
So Far

Achievements of  
APEC

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Concept

Scope

## Exporter

**At the Initial Point of Trade Security in the Global Supply Chain**



**Exporting  
Economies**

- Better accessibility to exporters
- More effective measures to manage high-risk cargos



**Importing  
Economies**

- Enhanced risk management
- Optimal adjustment of inspection rates based on more information on exporters

Customs in importing economies can reduce inspection rates based on **advance verification** by Customs in exporting economies

**Benefits** of the AEP are **mainly enjoyed** by the **Authorized Exporters**

**Risk Management on other operators**(importers, carriers, etc.) **can be conducted** by Customs in Importing Economies **as well**

# Requirements : APEC Security Standards

Efforts  
So Far

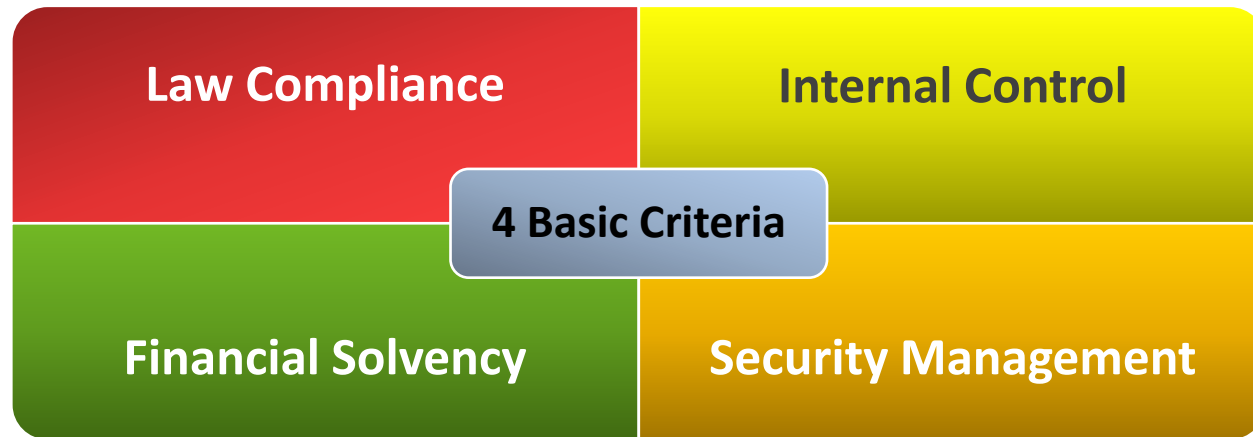
Achieve  
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Challenges

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Scope

Require  
ments



**+ Flexibility for Inclusiveness(TBD)**

- 1 to **expand the participation** of **MSMEs**
- 2 to **relieve burdens** of exporters
- 3 to **ward off overly inflexible and prescriptive security requirements** on companies

The standards should be based on  
**WCO SAFE Framework and other global standards**



# Benefits

Efforts  
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Benefits

## Authorized Exporters



- » Lower inspection fees
- » Shortened clearance time
- » Upgraded corporate image

## Customs



- » Enhanced risk management for imports by reducing unnecessary inspections and concentrating on high-risk cargos

# Benefits(TBD)

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Considering risk management is basically conducted on factors related to **exporters**, cargos, carriers, importers, etc., advance verification on authorized exporters **can ease inspection rates** as **risk factors on exporters are lowered**

As inspection rates differ economy by economy, **a general ratio of inspection rates of Authorized Exporters to those of non-Authorized Exporters can be discussed**

Discuss general ratio of 
$$\frac{\text{Inspection Rates on Authorized Exporters}}{\text{Inspection Rates on Non-Authorized Exporters}}$$

Example of Korea : the Inspection Rate on AEOs is about **50%** compared to non-AEOs

Economies **report their inspection rates of Authorized Exporters to the AEP Secretariat** and the AEP Secretariat **periodically reviews** each economy's implementation status

# Responsibilities of Entities : Implementing the AEP

Efforts  
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Respon  
sibilities of  
Entities

## APEC AEP Implementation Secretariat

### Compile

Compile compliance information submitted by Customs in exporting economies

### Distribute

Establish database and distribute collected data

### Monitor

Monitor the implementation of the AEP and publish periodical review report of each economy

# Responsibilities of Entities : Implementing the AEP

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## Customs Administrations

### Exportation

- Authorize Exporters in their economies to examine their level of compliance with APEC Security Standards
- Report and update information on Authorized Exporters to the AEP Implementation Secretariat

### Importation

- Provide benefit on Customs procedures to the Authorized Exporters
- Can Offer to conduct joint post verification on Authorized Exporters to Customs in exporting economies in the case of being suspicious of Authorized Exporters

### Mutually

- Cooperate on the exchange of information on Authorized Exporters

# Relationship with Existing AEO Programs/MRAs

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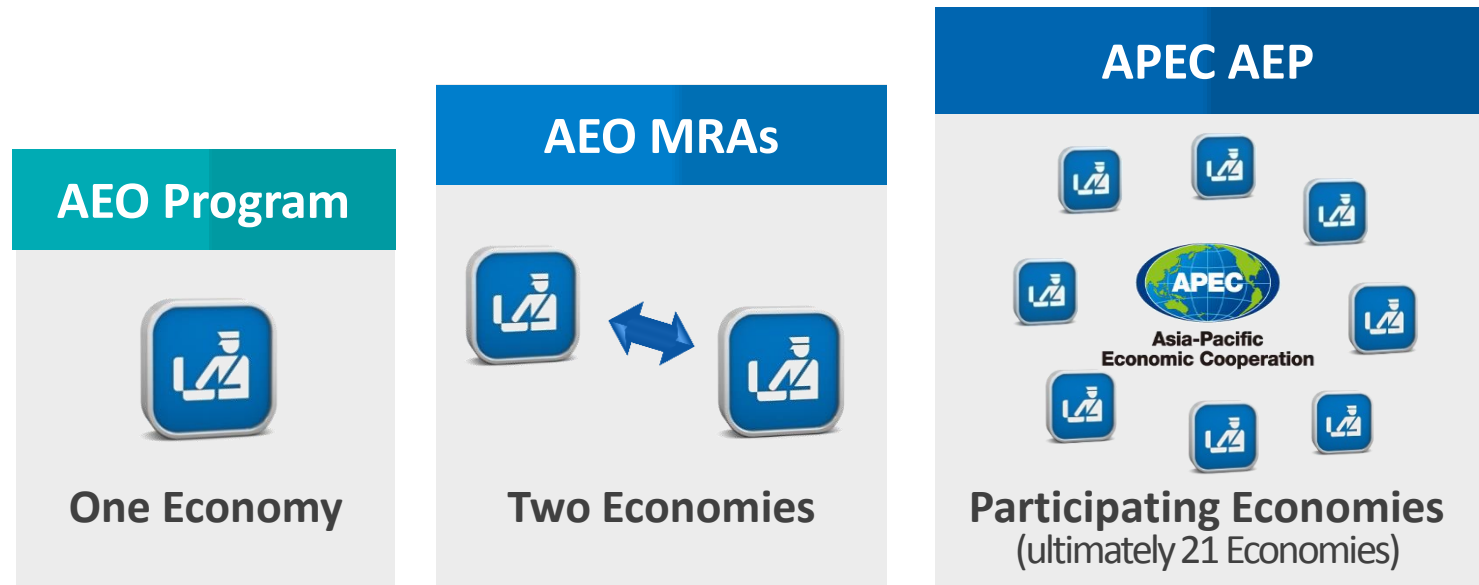
Scope

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Relationship  
with Existing  
AEOs/MRAs



**AEO, MRAs and APEC AEP are mutually cooperative measures for trade facilitation and economic integration within APEC**

**No interference or limit with/to the existing AEO programs and MRAs**

**Coexistence with the existing AEO programs and AEO MRAs**

***Thank You!***

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