APEC Authorized Exporters Program
(APEC Regional AEO Program Initiative)
Contents

Background

Initiative Concept
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

\[ \binom{21}{2} = 210 \] 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
Process flow chart

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

**Asia-Pacific Economic Cooperation**

AEP Implementation Secretariat

- Monitoring
- Information on Authorized Exporters

Customs in Exporting Economies

- Exchange of information
- Compliance with APEC security standards

Authorized Exporters

- Export

Importers

Customs in Importing Economies

- Benefits on Customs procedures
- Authorization
Scope

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

Law Compliance
Internal Control
Financial Solvency
Security Management

4 Basic Criteria

+ 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

**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)

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:

\[
\text{Inspection Rates on Authorized Exporters} \quad : \quad \text{Inspection Rates on Non-Authorized Exporters}
\]

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

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

**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
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!

KCS Accredited Customs Expert
Serena Jo (Sookhyeon Jo)
jsh1013@customs.go.kr