

Customs has a unique role in the international trade to provide increased security while ensuring facilitation Simplified Customs procedure and less Customs intervention

Further Facilitating Trade Procedures



contents

BACKGROUND P25



PATNERSHIP WITH OVERSEAS AEO PROGRAMS P28



Broadening the choice of customs office for import/export declaration P30



Amidst the higher volume of global trade and growing importance of supply chain management, a major task in international distribution is to simultaneously ensure security and facilitation of trade. In order to achieve this, Japan Customs has been implementing an AEO program to provide benefits such as trade facilitation to operators with a system to ensure compliance and cargo security. Furthermore, Japan Customs is working on AEO mutual recognition with other countries which implement AEO programs to achieve secure and facilitated bilateral trade.



Towards further trade facilitation and ensuring security

AEO Program

-Authorized Economic Operator -



A major challenge in international distribution and supply chain management is to simultaneously ensure security and facilitation of trade in recent years. The Customs and Tariff Bureau and Japan Customs are striving to implement an Authorized Economic Operator (AEO) program consistent with international standards, aiming to ensure security and facilitation of international trade by building partnerships with private enterprises.

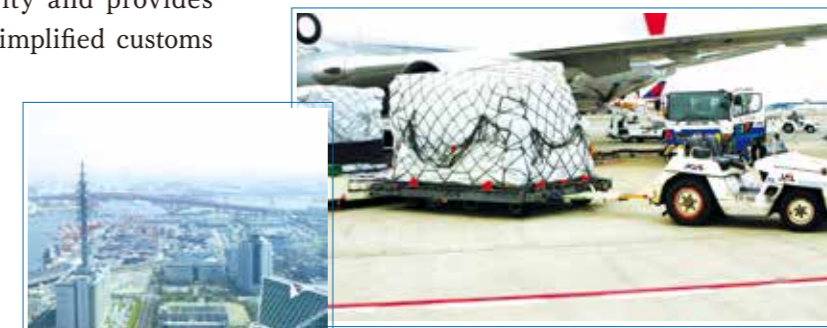


BACKGROUND

Since the terrorist attacks in the United States on September 11, 2001, ensuring both security and facilitation of international trade has been indispensable in international distribution. In response to such challenges, a new international framework, the WCO SAFE Framework of Standards to secure and facilitate global trade (SAFE), was adopted at the World Customs Organization (WCO) in 2005, which includes a concept of the Authorized Economic Operator (AEO) program, under which Customs approves operators with a system to ensure compliance and cargo security and provides them with benefits, such as simplified customs procedures. In 2006, the WCO adopted the AEO Guidelines covering AEO requirements and benefits, and in 2007, the SAFE was amended to incorporate

the AEO Guidelines. Japan and many other countries have already introduced or are establishing an AEO program, in accordance with the SAFE.

The WTO Trade Facilitation Agreement, which came into force in 2017 introduced Authorized Operator scheme similar to AEO, and the WTO Members are obliged to implement it. Together with such international trends, Customs Administrations pay more attention to AEO and put more efforts on establishing / maintaining it.



Operators with a system to ensure compliance and cargo security: benefits of faster and simplified customs clearance

In order to ensure both security and facilitation of the international movement of goods, it is vital to have as many operators as possible with an internal system for compliance and cargo security.

The AEO program offers benefits, such as simplified customs procedures, to operators with a system to ensure cargo security and compliance.



Eligible applicants: All economic operators involved in international logistics

Conditions and Requirements

- ✓ Demonstrated Compliance with Customs Requirements
- ✓ Appropriate Customs Procedures
- ✓ Cargo Security, Conveyance Security, Premises Security
- ✓ Education and Training
- ✓ Trading Partner Security
- ✓ Internal Contact System and Communication with Customs
- ✓ Internal Audit

Effectiveness of an AEO Program

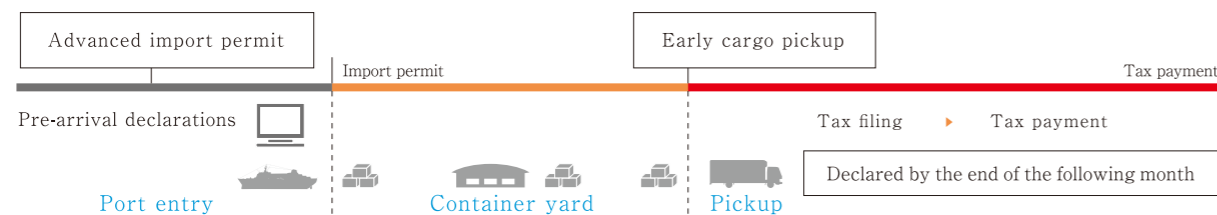
The Customs and Tariff Bureau and Customs are promoting the AEO program for wide range of parties involved in international trade such as importers, exporters, warehouse operators, customs brokers, logistics operators and manufacturers to ensure security and facilitate clearance procedures in the supply chain.

Authorized Economic Operator	
	Number of AEOs
Importers	101
Exporters	233
Warehouse Operators	146
Customs Brokers	252
Logistics Operators	8

(As of April, 2023)

AEO PROGRAM FOR IMPORTERS Early pickup of import cargoes

Importers who demonstrated compliance with Customs requirements and cargo security (AEO importers) enjoy fewer physical and document-based controls; may receive pre-arrival import permissions of their cargoes; may submit declarations for duty payment after the release.



AEO PROGRAM FOR EXPORTERS Export declaration can be lodged at exporters' warehouse

Exporters with a system to ensure compliance and cargo security (AEO exporters) can lodge export declarations and get export permission while placing the cargo at their own facilities instead of having to bring the export cargo into customs areas. Customs take account of the security control and compliance of AEO exporters during the Customs examinations and inspections.



AEO PROGRAM FOR WAREHOUSE OPERATORS

Simplified procedures for setting up bonded warehouses etc.

Operators of customs warehouses with a system to ensure compliance and cargo security (AEO Warehouse Operators) may establish customs warehouses with no customs fees and only through notification to the Director-General of Customs.



AEO PROGRAM FOR CUSTOMS BROKERS

Responding to requests for faster cargo clearance

Customs brokers with a system to ensure compliance and cargo security (AEO Customs Brokers) can make import declaration for duty payment after cargo pickup. AEO customs brokers can also lodge export declarations and get export permission without placing cargo in customs areas on the condition that AEO logistics operators transport the consignment.



AEO PROGRAM FOR LOGISTICS OPERATORS

Simplified procedures for cargo transportation

Logistics operators with an excellent compliance arrangement and cargo security management (AEO logistics operators) can receive the benefit of bonded transportation without obtaining individual permission, and can also transport goods which are consigned by exporters, from areas other than bonded areas, for example, from the premises of exporters directly to the loading port.



AEO PROGRAM FOR MANUFACTURES

Faster clearance for manufacturers exporting through their agents

Goods manufactured by an AEO manufacturer with an excellent compliance and cargo security management arrangement can be declared for export by exporters other than the AEO manufacturer and given export permission without placing cargoes in bonded areas. The AEO manufacturer shall consign the exports to exporters with a good compliance record.



We will expand the mutual recognition of AEO programs

in cooperation with countries around the world.



PATNERSHIP WITH OVERSEAS AEO PROGRAMS

AEO Programs intensify the linkages between Japan and its partners around the World

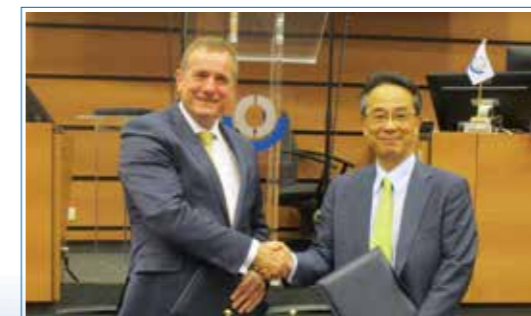
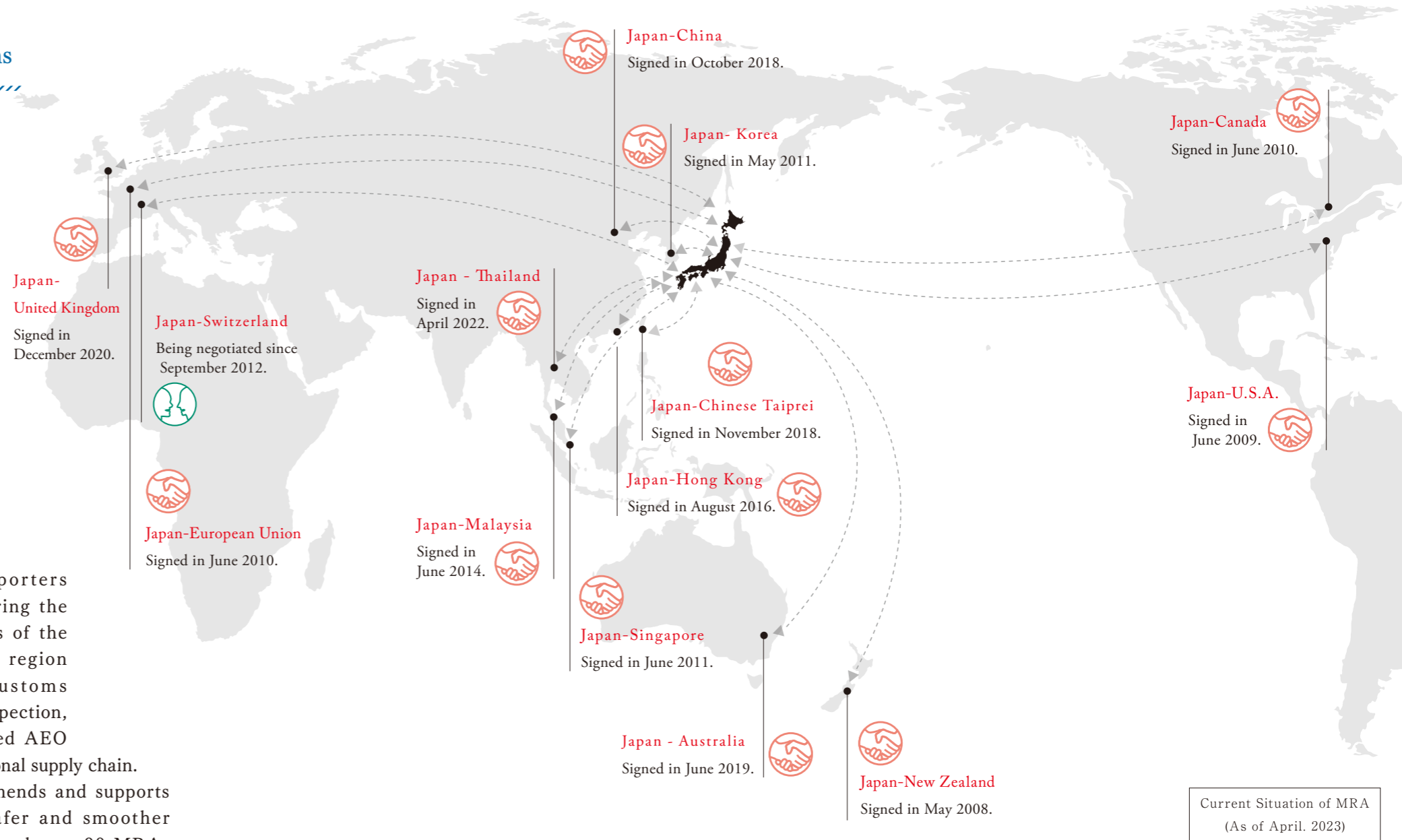
In 2006, World Customs Organization (WCO) adopted the AEO Guidelines, and consequently included in SAFE, as a baseline technical guidance for the implementation of AEO programs at a global level.

The Guidelines provide, for example, conditions and requirements to be an AEO, authorization procedures, and examples of benefits for AEOs. More than 90 Customs Administrations reported their SAFE AEO programs to the WCO.

In addition, Mutual Recognition Arrangements (MRA) are developed between Customs Administrations who have AEO programs meeting the WCO standards, in order to ensure further secured and facilitated flow of cargoes. The MRAs bring positive effects to AEO

importers and exporters of your country during the Customs procedures of the partner country or region by the reduced customs examination and inspection, and by the renowned AEO status in the international supply chain.

The WCO recommends and supports MRA to expand safer and smoother international trade, and over 90 MRAs have been signed across countries and regions. Japan has already 13 MRAs with the US, EU and China, to name a few.



Japan Customs has signed mutual recognition of AEO programs with Australia



Japan Customs has signed mutual recognition of AEO programs with Thailand



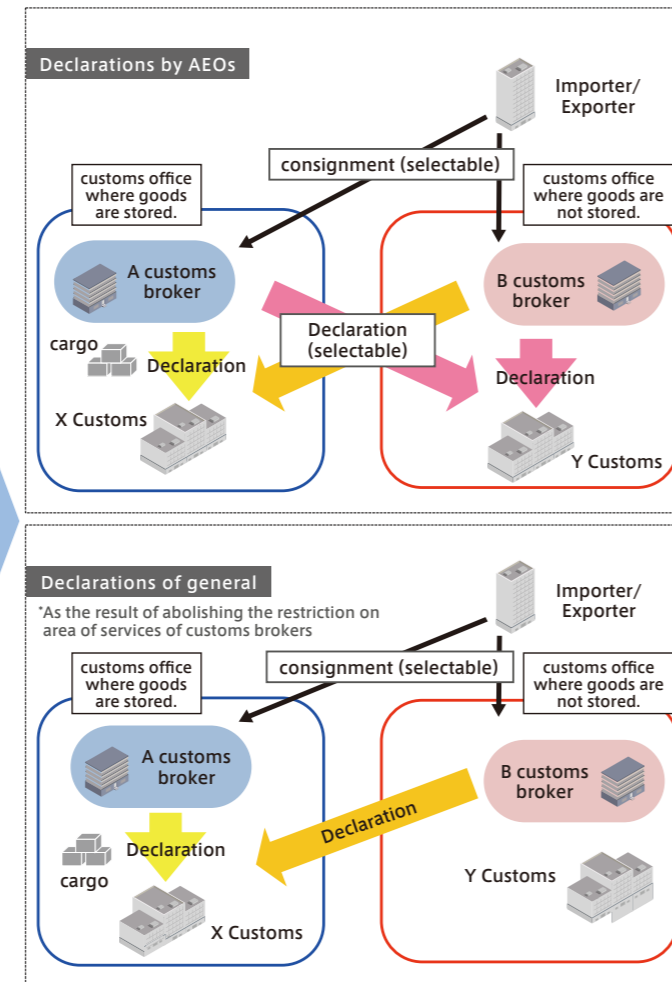
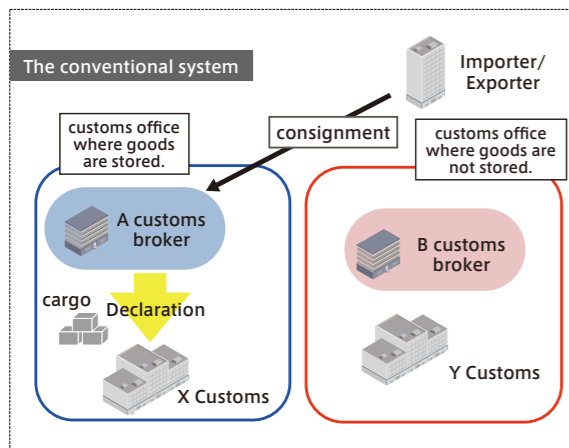
Broadening the choice of customs office for import/export declaration

In principle, import/export declarations shall be lodged to the customs office where imported goods are stored in order to ensure appropriate customs clearance and effective examination/inspection. On the other hand, if these import/export declarations are allowed to be lodged to any customs offices, it will contribute to further trade facilitation by promoting efficiency and cost reduction for related parties.

Therefore, Japan amended the Customs Law so that AEOs(Note) can lodge import/export declaration to any customs offices, while maintaining the principle that import/export declaration shall be lodged to the customs office where the goods are stored.

(Note)AEOs: AEO importers, AEO exporters and AEO customs brokers, that are authorized by the Director-General of regional customs as those with the abilities to conduct their operations with regard to importation/exportation appropriately.

In many cases, customs brokers who have permission from the Director-General of regional customs lodge import/export declarations on behalf of the importers/exporters. Along with broadening the choice of customs office for declaration, Japan amended the regulation on customs brokers such as abolishing the restriction on their service areas which are limited to the customs area where they get permission.



The volume of import and export cargoes keeps increasing as society and the economy are more globalized. Japan Customs has continuously upgraded import/export procedures, making full use of information and communication technologies (ICT) to further facilitate international trade.

- contents
- Faster Customs Clearance Procedures through NACCS P32
- Single Window P35
- A System under public-private partnership and cooperation among relevant ministries P36