



Virtual Regional Workshop on Authorized Economic Operators Program

14:00 – 16: 00 (Manila time), via Zoom Videoconference
26 – 27 September 2023



VIRTUAL REGIONAL WORKSHOP ON AUTHORIZED ECONOMIC OPERATORS PROGRAM **14:00 – 16:00 (Manila time), via Zoom Videoconference** **26-27 September 2023**

PROVISIONAL AGENDA

Background

The Asian Development Bank’s “Better Customs for Better Client Services in Central Asia” project aims to foster inclusive economic growth and support the readiness of Central Asian countries to comply with existing international trade facilitation commitments such as the Authorized Economic Operator (AEO) Program and new or evolving requirements. The World Trade Organization Trade Facilitation Agreement¹ (WTO TFA) requires WTO Members to develop an Authorized Operator schemes based on international standards. Article 7.7 of the TFA also provides that the criteria and requirements shall be specified in laws, regulations, or procedures, and include (1) an appropriate record of compliance with Customs and other related laws and regulations, (2) a system of managing records to allow for necessary internal controls, (3) financial solvency, including provision of sufficient security or guarantee where appropriate, (4) supply chain security. Further, to enhance trade facilitation measures provided to authorized operators, mutual recognition of authorized operator schemes is encouraged.

International standards are provided by the Revised Kyoto Convention² (RKC) on the Simplification and Harmonization of Customs Procedures, which is the main trade facilitation Customs convention, as well as the SAFE Framework of Standards to Secure and Facilitate Global Trade, which is meant to deter international terrorism, secure revenue collections, and promote trade facilitation. Under the latter, WCO introduced its Authorized Economic Operator (AEO) program, which is more comprehensive than Article 7.7. Using the AEO criteria to implement Article 7.7 will help ensure a harmonized approach and seamless mutual recognition at bilateral, sub-regional, regional, and global levels.

The 2021 version of the SAFE Framework strengthens cooperation between Customs and PGAs by promoting smart security devices to optimize Customs control and increase visibility in the movement of goods. Moreover, a baseline provisions on the development of regional Customs union’s AEO programs and the implementation of mutual recognition arrangements. The updated SAFE Framework further enhances data elements by aligning the data set on air cargo security with the data elements specified in the WCO’s data model and consolidates the reporting mechanisms on the implementation of the SAFE Framework.

Moreover, it is important to recognize the crucial role of Customs authorities in the movement of goods across international borders, which requires the participation of numerous entities and

¹ WTO-legal-text-agreement-on-trade-facilitation

² https://www.wcoomd.org/pf_revised_kyoto_conv

stakeholders. The AEO Program requires a uniform set of strategies to secure all process points yet facilitate the movement of global trade. Balance between secured supply chain and trade facilitation must also be recognized, including the vulnerable points along the supply chain.

OBJECTIVES

This is a technical workshop on basic principles of the AEO Program to raise awareness on the underlying requisites in setting up uniform set of strategies and optimizing Customs control yet facilitate the movement of global trade. The following are the strategic activities in supporting the objectives:

- Gain a better understanding of the main obstacles and bottlenecks that may hinder further development in making the AEO program effective and dynamic;
- Convey a holistic approach in implementing an efficient and affective AEO program citing best practices of other countries in designing the criteria for accreditation for multiple levels, important areas for MRA negotiations, inclusion of other potential operators to benefit from the AEO scheme;
- Identify gaps and challenges facing both the government and trading community regarding the lack of regular trainings for evaluators on the proper methods of evaluation and validation, especially on determination of financial stability, IT policy, business continuity and information security measures; and
- Assist CAREC countries that do not have AEO programs in mapping their needs in each identified area.

WORKSHOP CONDUCT

AEO experts from CAREC member countries and development partners will be invited to share their country experiences in the development and implementation of a dynamic AEO program with the following themes:

	Theme	Variables
1	Application, verification, and authorization, including security and compliance requirements	Application, Verification & Authorization Procedures
		Self-Assessment Mechanism
		Compliance Requirements
		Physical Security Requirements
2	Partnership between Customs and the private sector	Partnership Initiatives and Benefits
		Certification Procedure
3	Partnership between Customs authorities	Partnership Initiatives and Benefits
		Mutual Recognition Arrangement
4	Partnership between Customs authority and Trade Regulators	Partnership Initiatives and Benefits
		Inter-agency Data Sharing Arrangement

PARTICIPANTS

CAREC Customs officials (Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan), trade regulator representatives, traders, transport operators' associations and development partners. Other CAREC Customs officials from Azerbaijan, Georgia, Kazakhstan, Pakistan, People's Republic of China and Uzbekistan are also encouraged to participate.

REGISTER HERE: <https://adb-org.zoom.us/j/95820933620?pwd=WGdZYkc3b0ozRW1DZWZ0TnExdm1lUT09>

PROGRAMME OF ACTIVITIES

Moderator: Ms. **Zulfia Karimova**, Principal Regional Cooperation Specialist, Regional Cooperation and Integration Unit, Central and West Asia Department

Day 1 - 26 September 2023 (Tuesday)	
13:30 – 14:00	Virtual Registration of Participants
14:00 – 14:10	Opening Remarks (10 minutes) Ms. Lyaziza Sabyrova , Regional Head, Regional Cooperation and Integration Unit, Central and West Asia Department
14:10 – 14:15	Group Photo Session (5 minutes)
14:15 – 14:40	Session 1: AEO Program's Key Messaging and Benefits (15 minutes) <i>The WCO's initiative on Customs-Business partnership thru the Authorized Economic Operator (AEO) program (SAFE Framework) has emerged as the global Customs community's concerted response to threats to supply chain security, equally supporting facilitation of legitimate and secure cargo movement. It prescribes baseline standards that have been tested and are working well around the globe.</i> Speaker: Mr. Dennis C. Pantastico , AEO Expert, ADB Consultant Q & A (10 minutes)
14:40 – 15:05	Session 2: Korea's Experience on AEO Program (15 minutes) <i>The Korea Customs Service's AEO Program was developed and implemented as part of their UNI-PASS' support systems such as the One-Stop service through the Single Window, Clearance Management System, Cargo Management System and the Integrated Risk Management. The session will delve on Korea's experience on their legal and technical challenges in complying with the WCO SAFE Framework. We recognize that a clear understanding of the procedures, systems and practices in place is key in implementing a dynamic AEO program.</i> Speaker: Mr. Jung Jaeho , Director General of Customs Valuation and Classification Institute, Korea Customs Service Q & A (10 minutes)

15:05 – 15:45	<p>Session 3: Panel Discussion - Application, verification, and authorization, including security and compliance requirements (40 minutes)</p> <p><i>This session will present the opportunities and challenges for customs authorities in adopting AEO authorization process that consists of the application process, evaluation, verification, risk-based validation and the review and maintenance or management of the authorization in compliance with the WCO SAFE framework.</i></p> <p>Panelists:</p> <ol style="list-style-type: none"> a. Mr. Jung Jaeho, Director General of Customs Valuation and Classification Institute, Korea Customs Service on AEO criteria, authorization process, self-assessment questionnaire and on-site validation (10 minutes) b. General Administration of Customs of the People's Republic of China (10 minutes) c. Mr. Agus Sujendro, Section Head of AEO Certification, Directorate of Customs, Indonesian Ministry of Finance Customs Service (10 minutes) <p>Q and A (10 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, AEO Expert, ADB Consultant</p>
15:45 – 16:00	<p>Summary and Wrap-Up of First Day (15 minutes)</p> <p>Speaker: Uzbekistan State Customs Committee (<i>tbc</i>)</p>

Day 2 - 27 September 2023 (Wednesday)	
13:30 – 14:00	Virtual Registration of Participants
14:00 – 14:30	<p>Session 4: AEO Program's Validator Guide (20 minutes)</p> <p><i>The intent of the validator guide is to create a set of competencies in assisting Customs AEO validators in carrying out AEO validation in a standardized manner by sharing techniques and expertise and facilitates the efficiency of mutual recognition negotiations and implementation processes.</i></p> <p>Speaker: Mr. Dennis C. Pantastico, AEO Expert, ADB Consultant</p> <p>Q and A (10 minutes)</p>
14:30 – 15:00	<p>Session 5: Mutual Recognition Agreement (MRA) (20 minutes)</p> <p><i>Korea ranks first in the world by the number of MRAs signed. An AEO MRA is a bilateral arrangement between Korea Customs Service (KCS) and a</i></p>

	<p><i>foreign Customs Authority that recognizes the compatibility of their respective AEO programs and provide reciprocal, comparable and substantial benefits for trusted partners. List of MRA partners of KCS are USA, Canada, Singapore, Japan, China, New Zealand, Hong Kong, Mexico, Turkey, Israel, Dominican Republic, India, Taiwan, Thailand, Australia, UAE, Malaysia, Peru, Uruguay, Vietnam, Kazakhstan and Mongolia.</i></p> <p>Speaker: Mr. Jung Jaeho, Director General of Customs Valuation and Classification Institute, Korea Customs Service</p> <p>Q and A (10 minutes)</p>
15:00 – 15:40	<p>Session 6: Panel Discussion - Way Forward for the Development and Implementation of a Dynamic AEO Program using Modern Technology in the context of Supply Chain Management (40 minutes)</p> <p><i>The growing digitalization of international supply chains is generating exponential opportunities in terms of data access, capture, aggregation, and analysis for meeting organizational goals more effectively. Moreover, digitalization will support the implementation of an integrated supply chain management (ISCM) that ensures the timely availability of quality data and the integrity of the consignment in the supply chain concerned. Based on these characteristics, Authorized Economic Operators (trusted traders) and authorized supply chains (trusted trade lanes) can benefit from reduced risk scores in risk management systems and will normally not be impacted by Customs controls. If properly applied, this concept allows scarce Customs resources to better target serious security and safety risks.</i></p> <p>Panelists:</p> <ol style="list-style-type: none"> a. Mr. Jung Jaeho, Director General of Customs Valuation and Classification Institute, Korea Customs Service – Levering on the use of Modern Technology (10 minutes) b. General Administration of Customs of the People’s Republic of China – Supply Chain Management in the context of the AEO Programs security measures in the movement of goods (10 minutes) <p>Q and A (10 minutes)</p> <p>Moderator: Mr. Dennis C. Pantastico, AEO Expert, ADB Consultant</p>
15:40 – 15:50	<p>Summary and Way Forward (10 minutes)</p> <p>Speaker: Mr. Dennis C. Pantastico, AEO Expert, ADB Consultant</p>
15:50 – 16:00	<p>Closing Remarks (10 minutes)</p> <p>Ms. Zulfia Karimova, Principal Regional Cooperation Specialist, Regional Cooperation and Integration Unit, Central and West Asia Department</p>



Virtual Regional Workshop on Authorized Economic Operators Program

14:00 – 16:00 (Manila time), via Zoom Videoconference
26 – 27 September 2023

