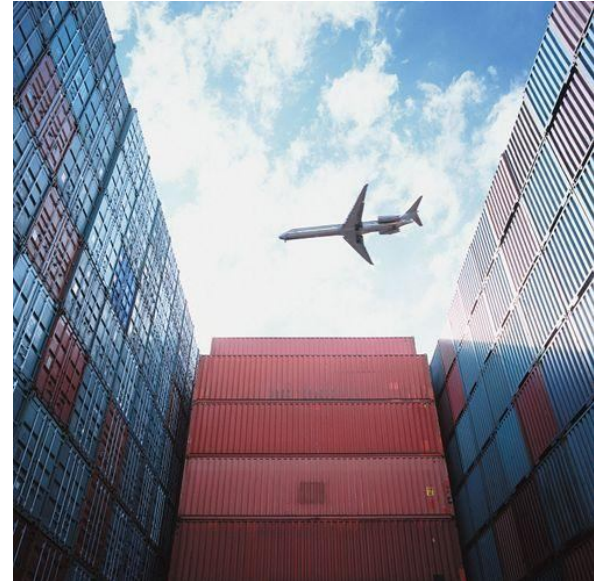


AEO Program in Japan



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Items

I. AEO Program in Japan

- Japan Customs: Three Missions
- International Background
- Scope
- Current Partners
- Requirements and Benefits

II. Mutual Recognition Arrangement

- Concept and Benefits
- Current Status

III. Customs-Business Partnership

AEO Program in Japan

Japan Customs : Three Missions

1 Safety and Security

Realizing the safest country in the world by prioritizing prevention of smuggling of firearms, illicit drugs and other harmful goods, including goods related to terrorism

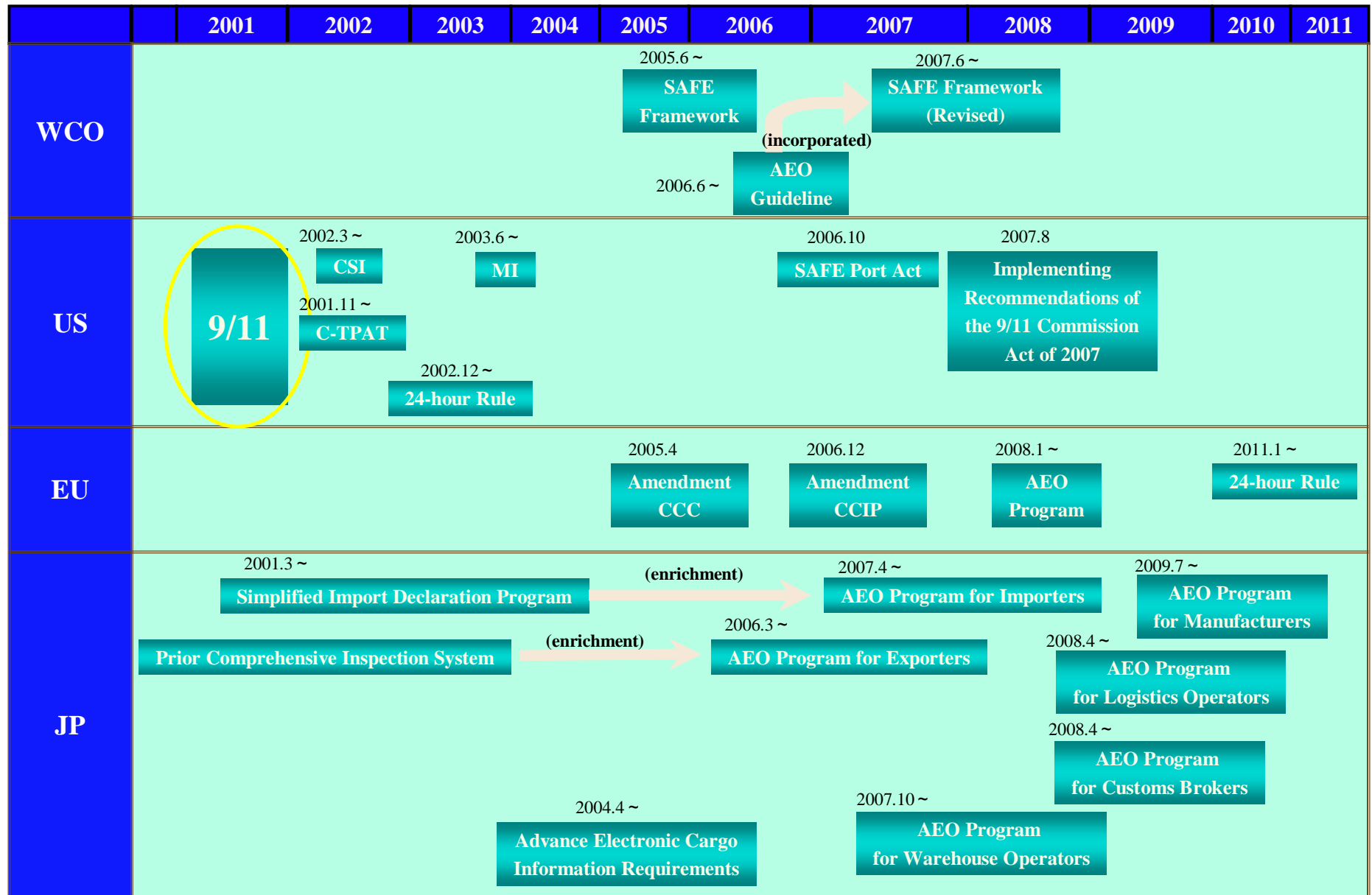
2 Trade Facilitation

Speeding up customs procedures and thereby facilitate global trade

3 Revenue Collection

Collecting customs duties and consumption taxes as a revenue agency, amounting to about JPY 4.4 trillion representing about 10% of the total national tax revenue

Int'l Background : Security Measures and AEO Programs



AEO (Authorized Economic Operator) Program

Background

Promotion of trade facilitation by streamlining customs procedures with a view to striving to greater competitiveness in international environment

Efforts in international community after 9/11 to address need for strengthened security

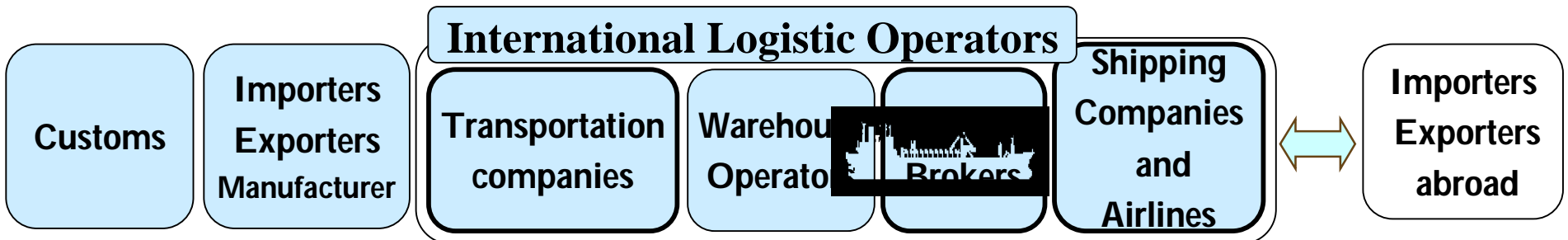
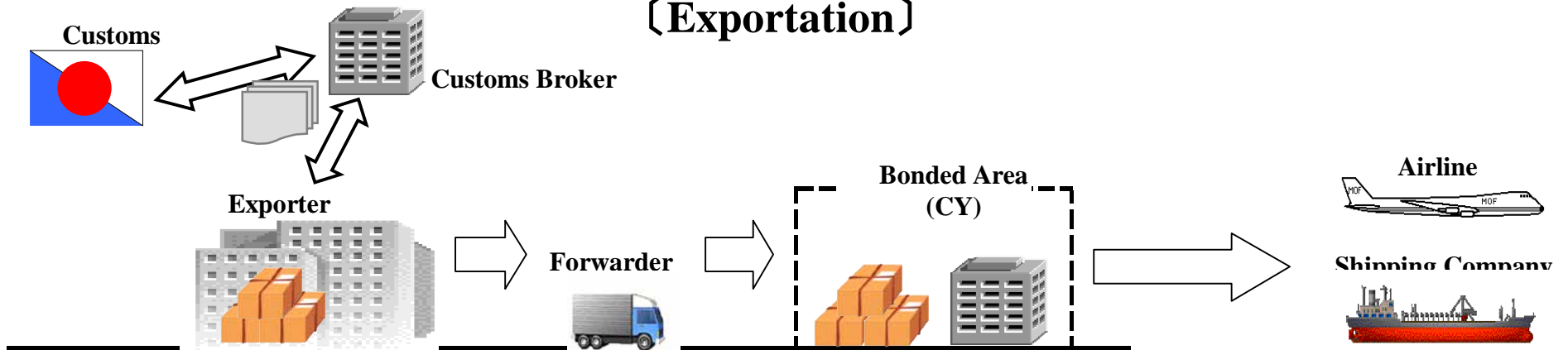
- AEO program which ensures security while facilitating trade, working in partnership with private sectors.
- Japan Customs introduced the AEO program in conformity with international standards (March 2006, developed subsequently)

AEO Program

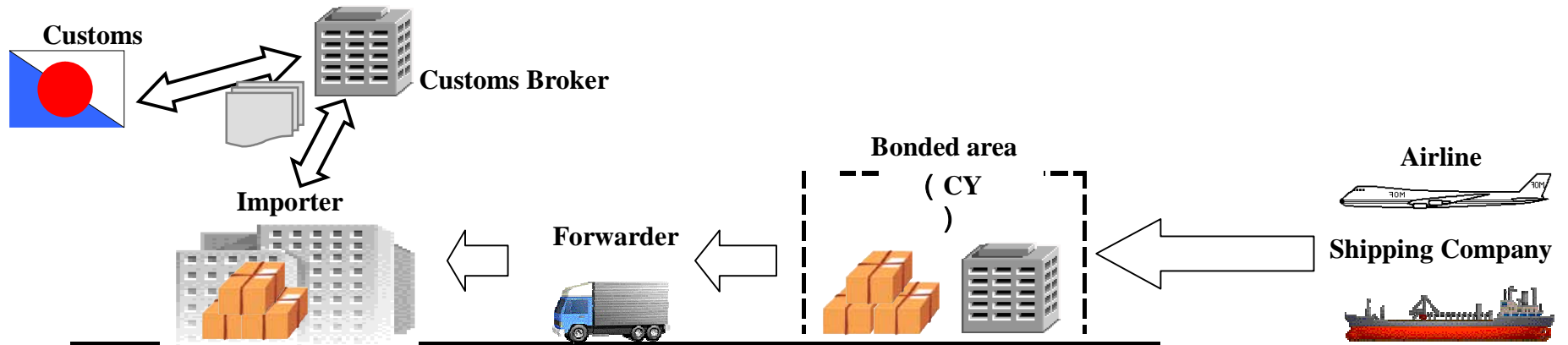
Economic Operators who are authorized by Customs as having established a system to ensure cargo security and compliance enjoy benefits such as simplified and expedite customs procedures

AEO : The Scope of AEO Program

(Exportation)

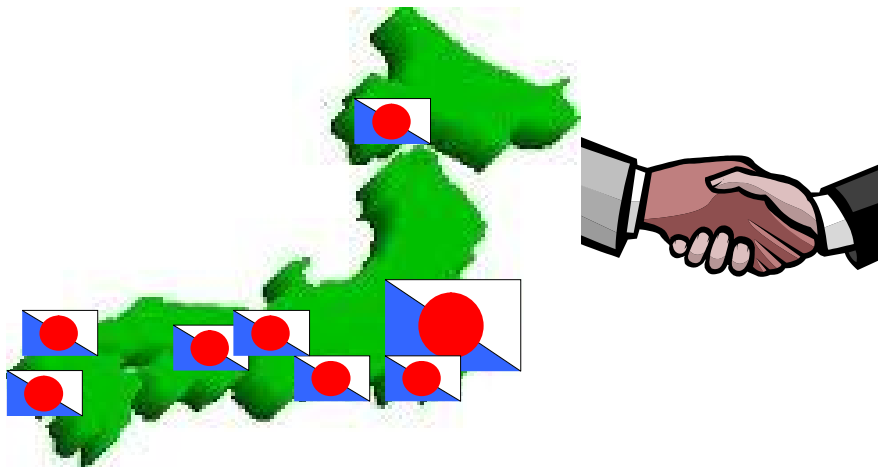


(Importation)



AEO : Current Partners

Japan Customs



Authorized Exporters {Since Mar.2006, revised}	233
Authorized Importers {Since Mar.2001, revised}	75
Authorized Warehouse Operators {Since Oct.2007}	78
Authorized Customs Brokers {Since Apr.2008}	26
Authorized Logistic Operators [since Apr. 2008]	2

(As of July 30, 2010)

AEO: Requirements & Benefits

Requirements

(Consistent with WCO SAFE)

- **Compliance Record**
- **Proper ability to conduct operations**
- **Compliance Program**
 - Organizational Set-up
 - Due Customs Procedures
 - Cargo/Conveyance/Premises Security
 - Internal Audit
 - Contracting Parties Requirement
 - Communication with Customs
 - Crisis Management
 - Education/Training

Examples of Benefits

Authorized Importers

- Pre-arrival lodgment of import declaration and pre-arrival import permission – early release of cargo
- Reduced number of elements for import declaration
- Reduced examination and inspection at the time of import
- Periodical lodgment of duty/tax payment declaration

Authorized Exporters

- Export procedures are completed while keeping the cargo in their own premises
- Reduced examination and inspection at the time of export

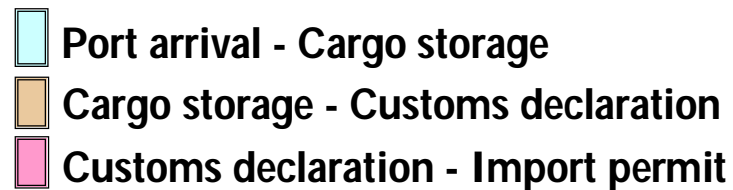
Authorized Warehouse Operator

- Establishment of a new Customs warehouse only by notification
- Free monthly fee

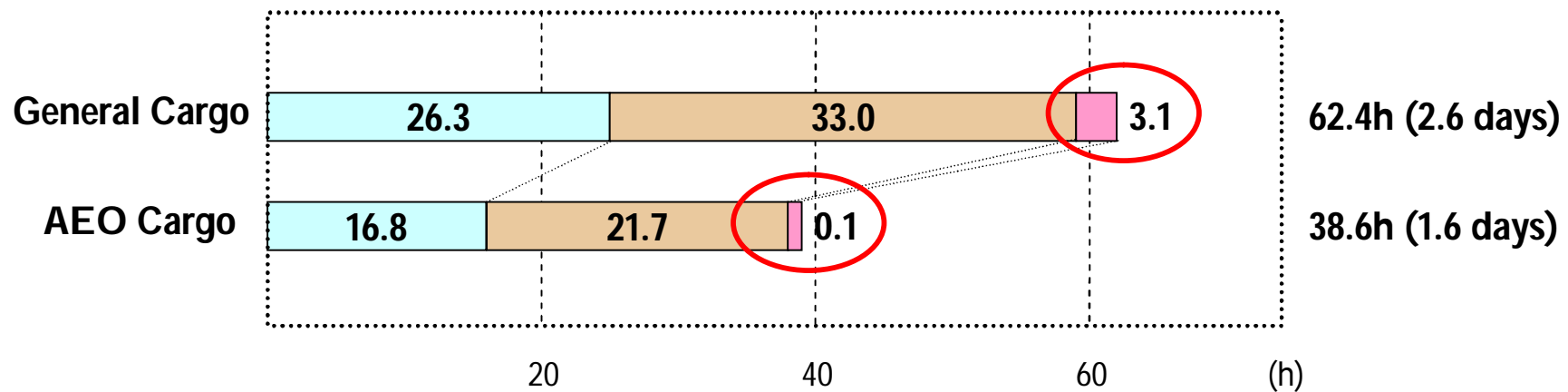
Example of Benefits : AEO Importers

Lead time for AEO cargo

※reference: Lead time survey in 2009



【 Maritime Cargo 】



Mutual Recognition Arrangement

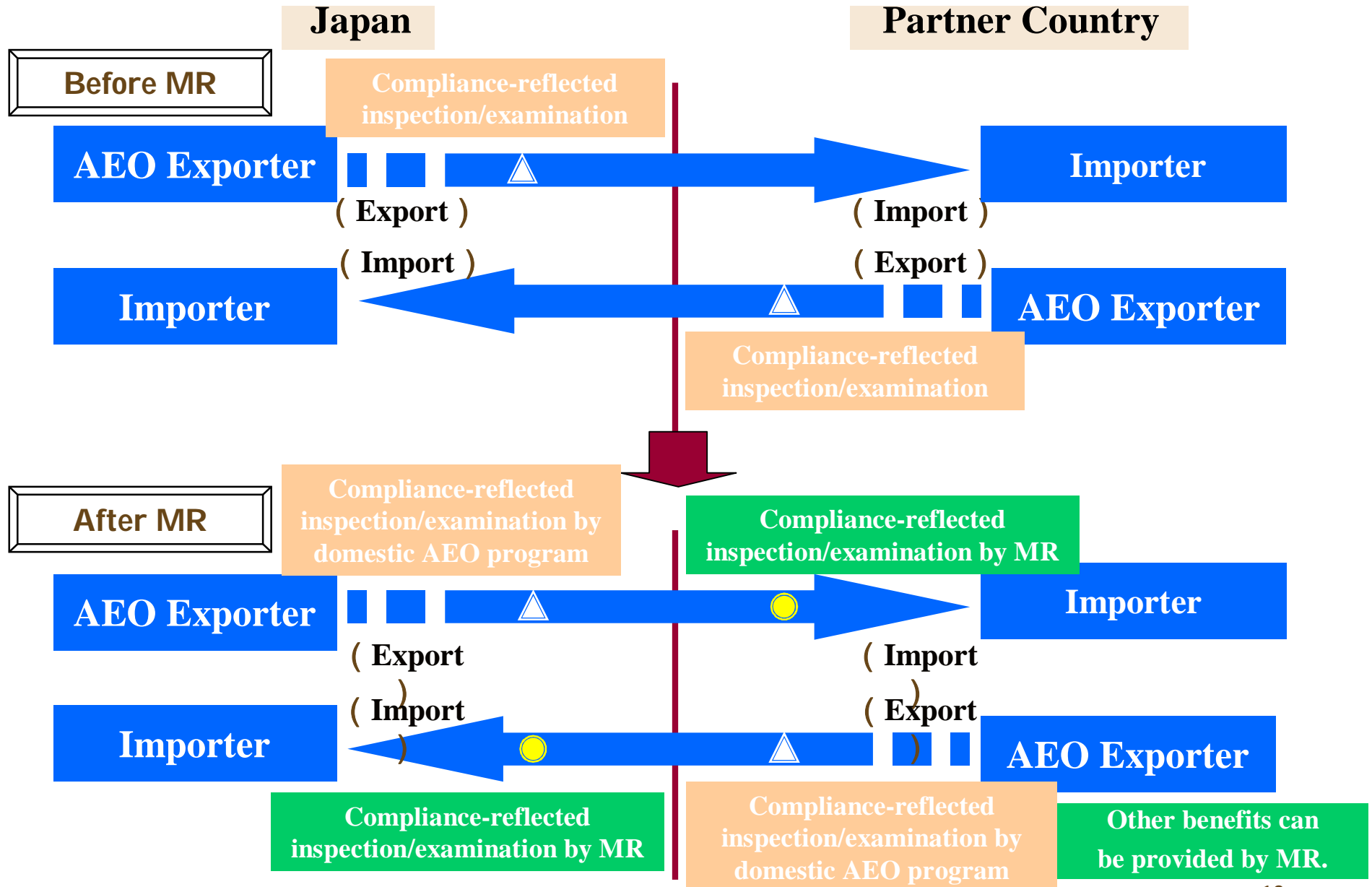
Concepts and Benefits of Mutual Recognition ①

- **Mutual Acceptance of AEO Status**
- **Preferential Treatment which corresponds with AEO status of other country**

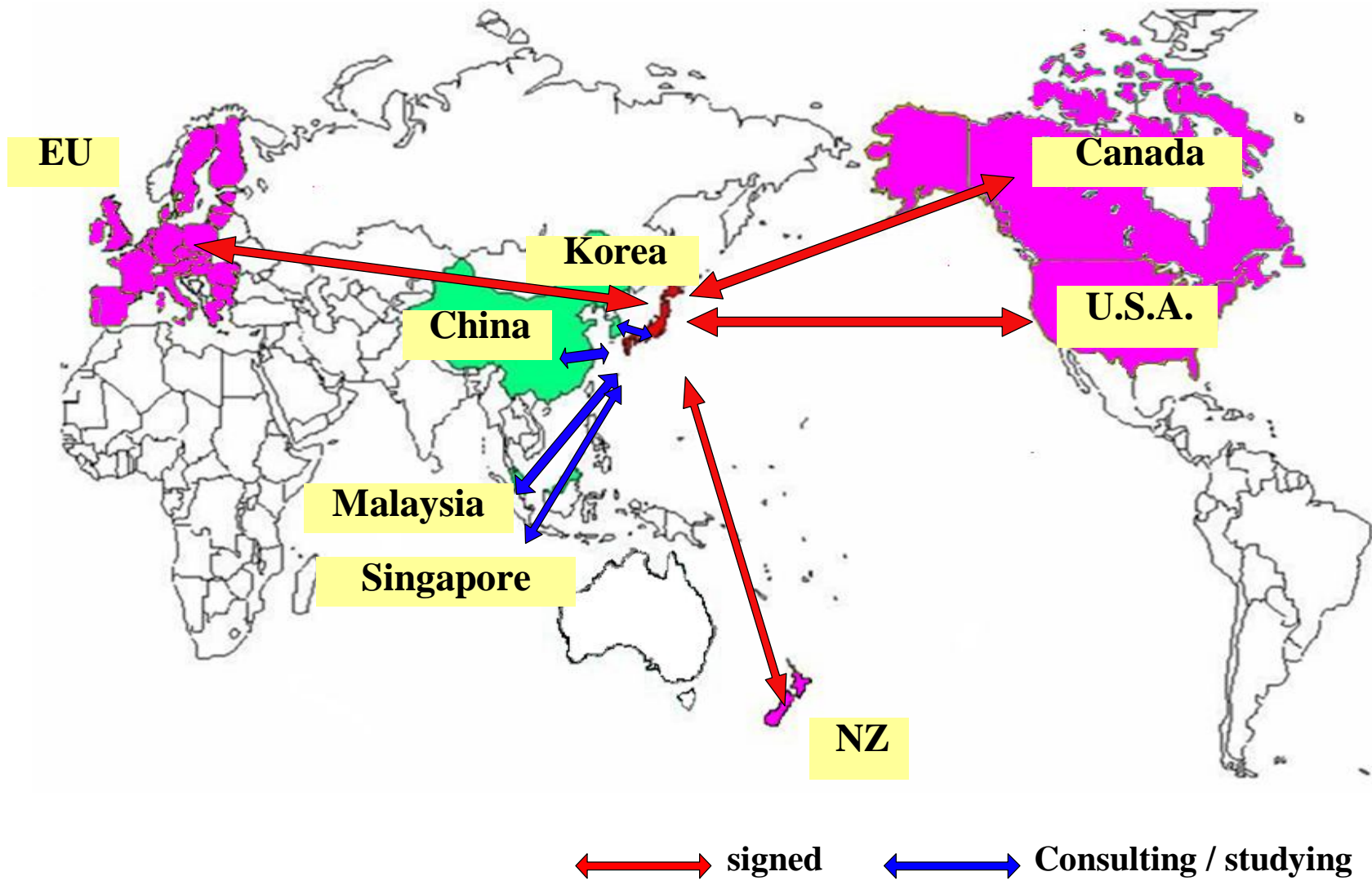


- **Further Ensuring Security and Facilitation**
- **Optimize allocation of resources (by focusing more on high risk cargos)**
- **Maximize the benefits of compliant stakeholders**

Concepts and Benefits of Mutual Recognition ②

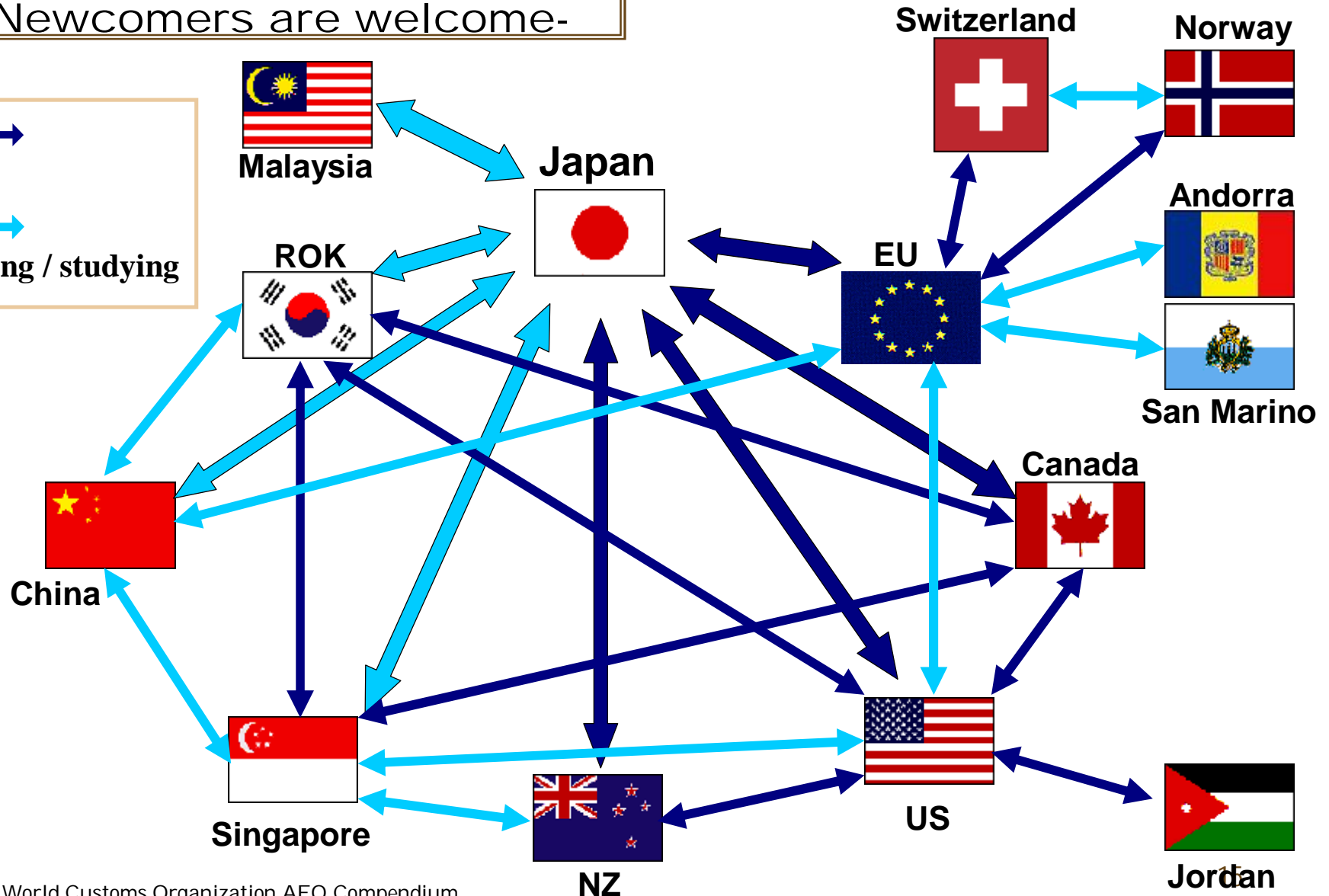
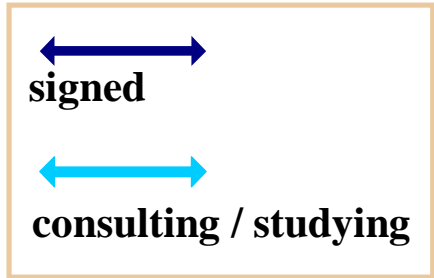


Mutual Recognition : Current Status



Mutual Recognition : Current Status in the World

AEO Players in the World
-Newcomers are welcome-



Source: World Customs Organization AEO Compendium

Customs-Business Partnership

Customs-Business Partnership

Customs – Business Partnership with AEO program in Japan

➤ Design & development of the program

➤ Mutual recognition

✓ Customs and business work together
(e.g. Customs-Business Consultative
Body for AEO Promotion)

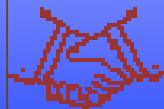
➤ Operation & utilization of the program

✓ AEO Units at 9 Regional Customs
welcome consultations with business

Solid foundation

Customs

- ✓ Transparency and Consistency
- ✓ Modernized Customs in place
- ✓ Consultation, Co-operation and Communication
- ✓ Education, Training and Awareness
- ✓ Crisis Management etc.



- ✓ Demonstrated Compliance
- ✓ Cargo/ Conveyance/ Premises Security
- ✓ Consultation, Co-operation and Communication
- ✓ Education, Training and Awareness
- ✓ Crisis Management etc.

Business

Thank you

