

A modernized and credible Customs administration that is among the world's best.

MAKABAGONG AD
MATATAG NA EKON



Philippines

Professionalism

Integrity

Accountability

OUTLINE

- History and AEO Definition
- AEO Components and Scope
- Accreditation Criteria
- Accreditation Process
- Benefits
- AEO Office
- Creation of the Philippine AEO Manual

HISTORY

PH signed Letter of Intent



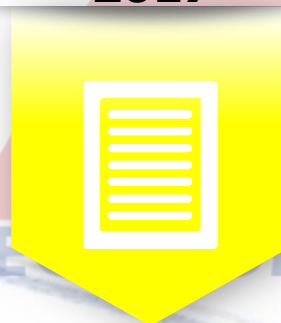
Philippines signed a letter of intent committing to implement the SAFE Framework of Standards to Secure and Facilitate Global Trade

CAO & CMO on AEO for Exporters



CAOs and CMOs for establishment of an Authorized Economic Operator for Exporters was issued (i.e. CAO 1-2012, CAO 4-2013, CMO 11-2012, CMO 14-2013)

Issuance of CAO 5-2017



CAO No. 5-2017 on the Establishment of AEO Program was published

Launch of AEO Philippines



On December 2, 2019, the AEO Philippines was launched and Interim AEO Office was established in 2020.

AUTHORIZED ECONOMIC OPERATOR

Refers to:

- ✓ importer, exporter, customs broker, forwarder, freight forwarder, transport provider, and any other entity
- ✓ duly accredited by the Bureau of Customs based on the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Global Trade, the Revised Kyoto Convention (RKC), the WCO Supply Chain Management Guidelines and the various national best practices
- ✓ to promote **trade facilitation** and to provide a **seamless movement of goods** across borders through **secure international trade supply chains** with the use of risk management and modern technology.

AEO COMPONENTS

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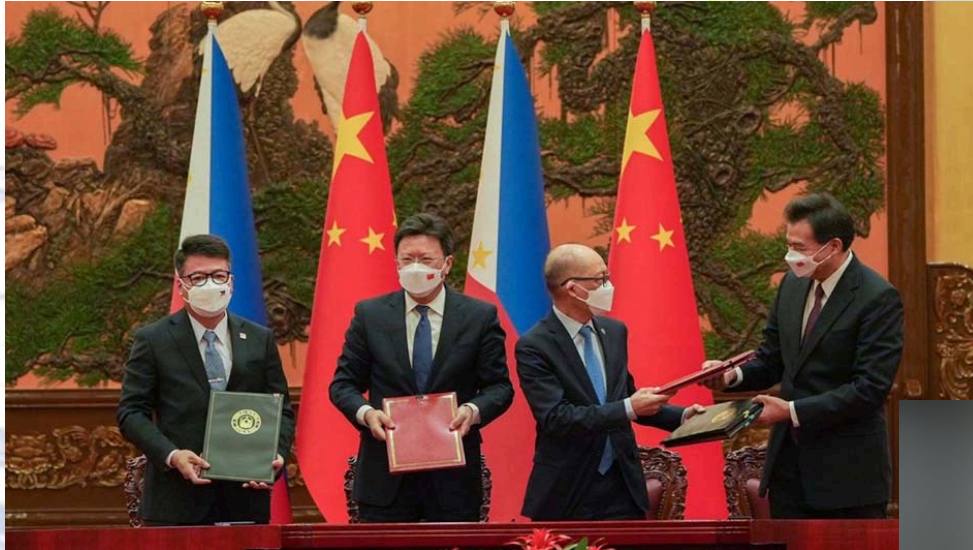
MUTUAL RECOGNITION ARRANGEMENT

Mutual Recognition Arrangement or MRA refers to an agreement between two countries to mutually recognize AEO accreditation that has been properly granted by one Customs administration.

An MRA with another country will allow AEOs to be recognized and be entitled to receive reciprocal benefits.



MUTUAL RECOGNITION ARRANGEMENT



Signing of the Philippine-China MRA on January 3, 2023

Signing of the ASEAN AEO Mutual Recognition Arrangement on May 12, 2023



SCOPE

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**NVOCC,
Freight
Forwarders**



**Local Transport
Operator**



CBW/ CFW
Customs Bonded
Warehouse/ Customs
Facilities and
Warehouses



**Importer/
Exporter**



**Customs
Broker**



**Shipping
Line/ Airline**



**Foreign Supplier,
MRA partner
companies, etc.**



BANK
**Authorized
Agent
Banks**

ACCREDITATION CRITERIA

1. Business ownership, structure, and organization;
2. Corporate or business profile and projected business activity;
3. End-to-end import or export process (goods, documentation, and payment flow) and local distribution system, if any;
4. Entities involved in foreign supply and/or local distribution chain;
5. List of goods imported or exported including the nature, specific description in tariff terms, customs value, preferential rates to be availed of, and volume (over time);
6. Internal customs compliance control;
7. Customs compliance history;
8. Business process continuity mechanism;
9. Financial Viability

General Criteria

1. Cargo handling and safekeeping;
2. Record keeping and IT System;
3. Supply and trading partner;
4. Physical premises and access control;
5. Personnel complement;
6. Security training, threat awareness and outreach;
7. Conveyance Security

Security Criteria

ACCREDITATION CRITERIA

- Procedures in place to protect against the introduction of unauthorized material and persons
- Documentation Processing and Verification
- Receipt and Release of Cargo
- Procedural Documentation
- Container Seals
- Storage of Conveyances, Containers and Cargo

Cargo handling and safekeeping

- List of regular business partners including the modes of transportation
- Procedures in place for the selection of and working with business partners
- Procedures in place for business partners to demonstrate they are meeting the company's supply chain security requirements

Supply and trading partner

ACCREDITATION CRITERIA

- Essential elements of your business processes that facilitate a full audit trail
- Procedures in place to maintain confidentiality and integrity of data
- Accountability
- Data Back-ups and Recovery Plans

Record keeping and IT System

- Pre-Employment Verification and Background Checks
- Periodic Background Checks / Reinvestigations for Current Personnel
- Resignation and Termination of Personnel
- Temporary personnel security standards
- External Services

Personnel complement

ACCREDITATION CRITERIA

- Perimeter Fencing
- Gates and Gate Houses
- Building Structure
- Locking Devices and Key Controls
- Alarm systems and video surveillance cameras
- Security Personnel and Organization
- Access Controls for Employees, Visitors and Vendors / Contractors

Physical premises and access control

- Procedures in place to educate your personnel with regard to the risks associated with movements of goods
- Training on the identification of potentially suspect cargo
- Reporting of suspicious incidents.
- Training provided for employees in crisis management and any drill conducted for the contingency plan

Security training, threat awareness, and outreach

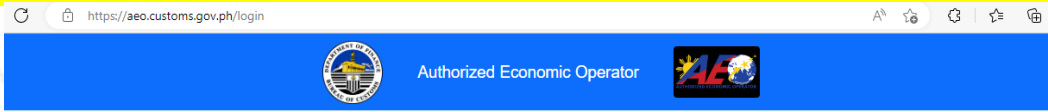
ACCREDITATION CRITERIA

- Procedures in place to consider potential places of concealment on conveyances
- Procedures in place to train drivers on subjects such as:
 - Inspection of conveyance;
 - Confidentiality of load, route and destination;
 - Policy on keys, parking area, refuelling and unscheduled stops, etc.
 - Reporting for accident or emergency;
 - Reporting of any irregularity in loading, locking and sealing; and
 - Testing of security alarms and tracking devices, if any


Conveyance Security

AEO PORTAL


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Authorized Economic Operator Accreditation Process




Step 1. Register
Register basic user profile to be use as login credentials to the system.



Step 2. Fill-out Application Form
Supply the company profile, contact information, addresses and other information.



Step 3. Fill-out SAQ and RES
Answers all questions and upload images/documents as proof.

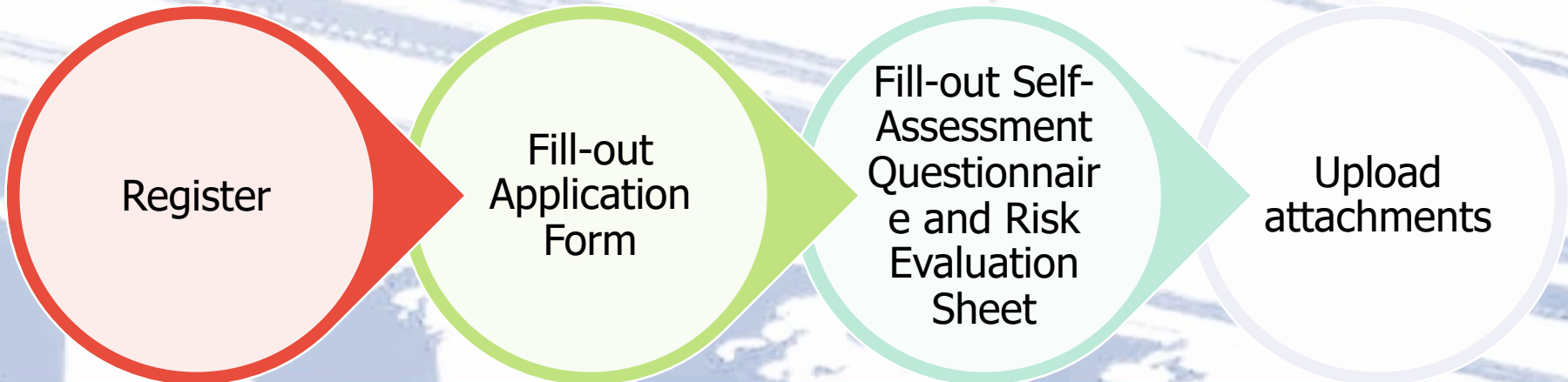


Step 4. Upload attachments
Uploads all necessary files/documents needed for application's verification.

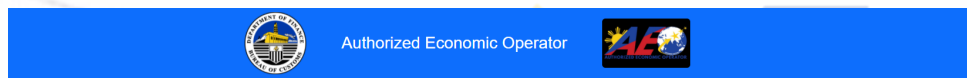
Login

[Forgot password?](#)

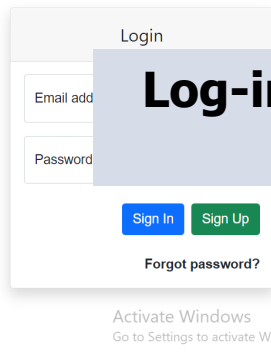
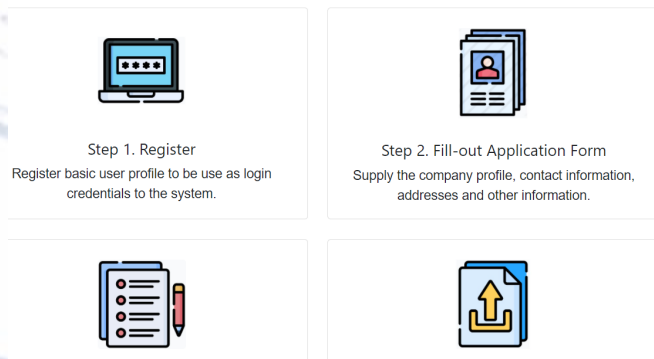
Log-in at
<https://aeo.customs.gov.ph/>



ACCREDITATION PROCESS



Authorized Economic Operator Accreditation Process



Log-in at AEO Philippines Online Portal

- Document Evaluation
- On-line Validation
- On-site inspection
- Deliberation
- Issuance of Pre-Screening Clearance

Pre-Screening

- Document Evaluation
- On-line Validation
- On-site inspection
- Deliberation
- Issuance of Level 1 Certificate
- 90D approval

Level 1

- Document Evaluation
- On-line Validation
- On-site inspection
- Deliberation
- Issuance of Level 2 Certificate
- 6 mos. from Level 1

Level 2

- Guidelines and benefits to be issued

Level 3





BENEFITS

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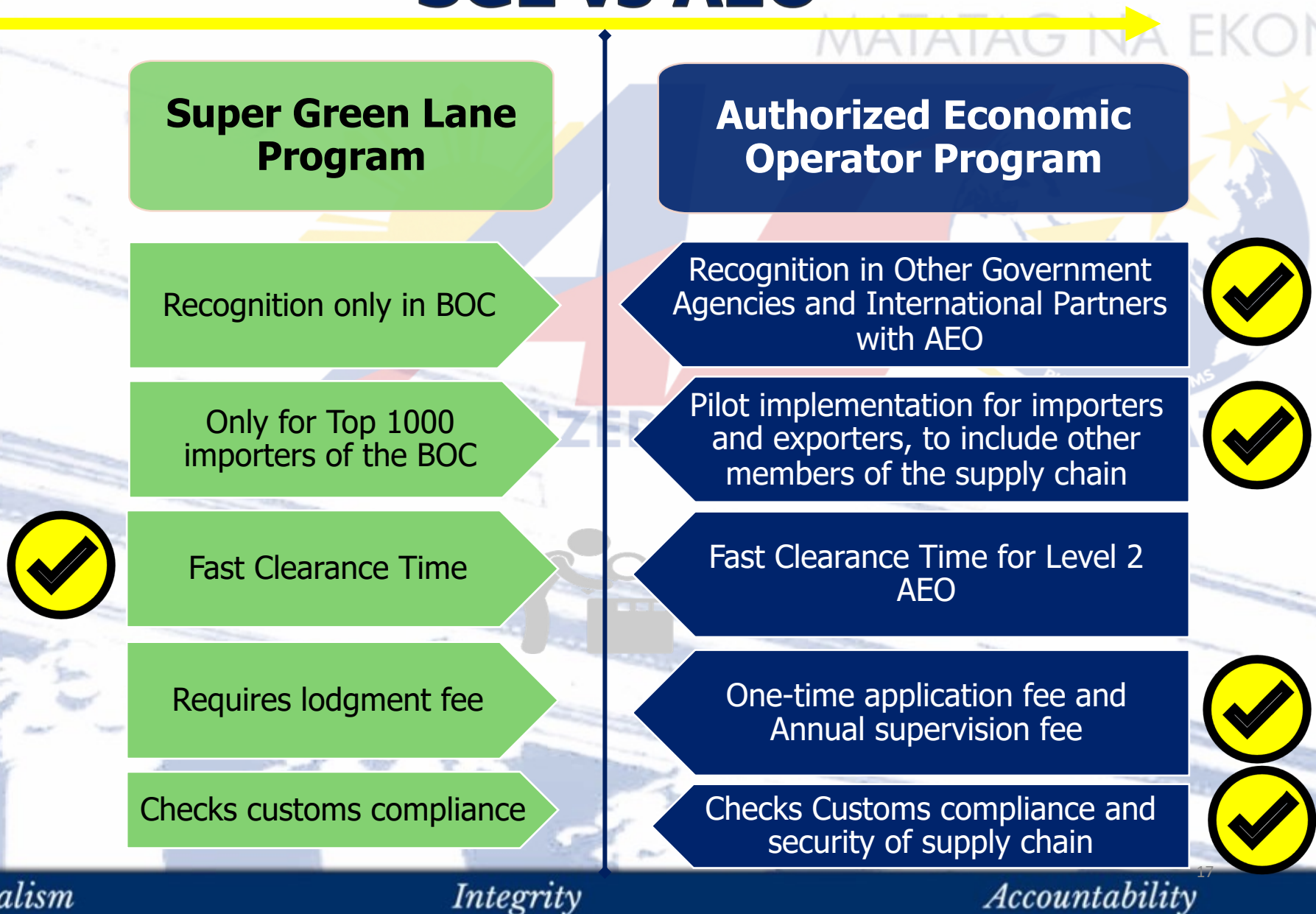
Level 2

-  Dedicated processing lane
-  Advance Clearance Process
-  Periodic lodgement
-  One time exemption certificate
-  Expedited Customs Clearance for Exports

Level 1

-  Exemption from Renewal of Accreditation
-  Self-Assessment
-  Supplementary Goods Declaration
-  Dedicated Help Desk

SGL vs AEO



AEO FOR SMEs

PHILIPPINE TRADE FACILITATION ROADMAP

1. Support MSMEs to be accredited to the AEO Program
2. Develop trade facilitation measures for MSMEs
3. Capacity building

BOC PLANS FOR MSMEs THROUGH ITC

Develop an AEO Scheme for SMEs by September 2023:

- Finding similar programs in other countries, target relevant companies participating in global trade with specific set of requirements and benefits that consider SMEs direct participation is more focused on imports
- Recognize the increasing participation of SMEs in e-commerce
- Encourage SMEs to work together and pool their resources to achieve higher level of production, better good manufacturing processes, and determine government's necessary support and interventions

LEVEL 1 AEO ACCREDITED COMPANIES



Sony Philippines, Inc. (February 13, 2024)



Coca-Cola Beverages Philippines, Inc. (December 7, 2022)

LEVEL 2 AEO ACCREDITED COMPANIES



**Toyota Motors Philippines Corp.
Date of Accreditation: February 13,
2024**

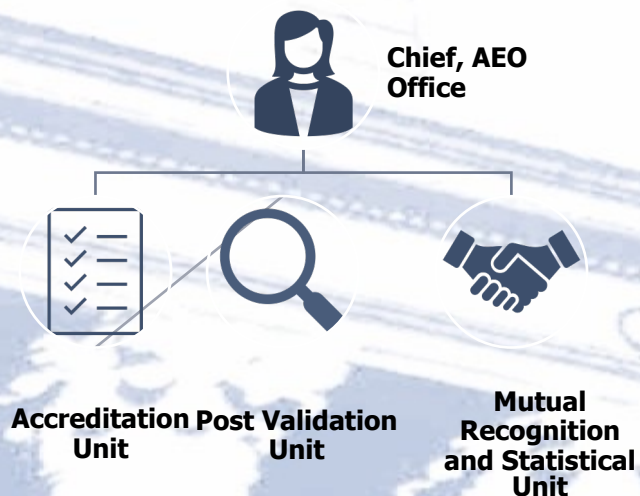
The word 'Panasonic' is written in a bold, blue, sans-serif font. It is set against a white rectangular background that is part of a larger graphic element. The background also includes a globe and the text 'PHILIPPINE CUSTOMS'.

**Panasonic Manufacturing Philippines :
February 13, 2024**

AEO OFFICE

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- Interim AEO Office was created under **Customs Memorandum Order (CMO) 9-2020.**
- Personnel are designated through **Customs Special Order 68-2023**
- Currently composed of 55 personnel as of August 2023



- Evaluates Pre-Screening and Level 1 AEO Applications

Accreditation

- Monitors compliance of AEO Member
- Reviews Level 2 Applications

Post Validation

- Keeps records
- MRA negotiation

Mutual Recognition

AEO OFFICE

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Receiving Area

AEO OFFICE

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AEO Lounge



AEO Conference Rooms

CREATION OF THE PHILIPPINE AEO MANUAL



In partnership with the Philippine Customs Project Team for Strengthened Trade Facilitation Capacity Building and the Authorized Economic Operator Interim Office, the International Trading Center (ITC) organized a two-day Writeshop from 6-7 September 2022 to support the drafting of the AEO Operations Manual.

SUMMARY OF AMENDMENTS

Version	Date	Description of Amendment	Approved by
1.6	December 2023	Amendments provided by Mr. Dennis Pantastico as per comments and inputs provided by the BOC AEO Team	For approval by the Director of the AEO Office
1.5	November 2023	Amendments provided by Mr. Dennis Pantastico as per comments and inputs provided by the BOC AEO Team	For approval by the Director of the AEO Office
1.4	March 2023	Amendments provided by Mr. Dennis Pantastico as per comments and inputs provided by the BOC AEO Interim Office	For approval by the Director of the AEO Office
1.3	October 2022	Amendments provided by Mr. Dennis Pantastico as per comments and inputs provided by the BOC AEO Interim Office	Director, AEO Office
1.2	September 2022	Amendments based on the Writeshop Output	Director, AEO Office
1.1	August 2022	Working draft prior to the AEO Writeshop provided by Mr. Dennis Pantastico, ITC AEO Lead	Director, AEO Office and ITC Team
1.0	June 2022	Initial Draft provided by Mr, Dennis Pantastico, ITC AEO Lead	Director, AEO Office and ITC Team

BENEFITS OF CREATING AEO MANUAL

The operations manual provides guidance to all Interim AEO staff, involved BOC officers, AEO Members, and other interested parties on how to comply with their obligations defined in BOC Customs Memorandum Orders for the AEO program.



To know more, visit:
<https://customs.gov.ph/aeo-philippines/>



Got questions? Email us at
aeo@customs.gov.ph