



AEO Pakistan Program Update

**Regional Workshop
in Enhancing and Accelerating
the Implementation of the AEO
Program in Central Asia
(31st Oct – 2nd Nov, 2023)
(Tashkent)**



Pakistan AEO Program



1

What is the Update on Pakistan's AEO Program ?

2

Where Pakistan wants to be in AEO?

3

What are the necessary Steps needed?

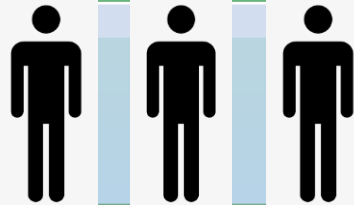
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What is the Update on Pakistan's AEO Program ?

The AEO program
was launched in
2019

Legislation done
(Section 212-A of
CA1969)

AEO Rules notified
(SRO 1114 (I) /2020)



3 AEOs Approved for Pilot phase for Exports only

No MRAs yet

2

Where Pakistan Wants to be in AEO?



Over 200 AEOs
by December 2024



MRAs with major Trading
Partner Countries by 2028



Eligibility Criteria for AEOs

Financial Solvency	Customs & Legal Compliance	Internal Controls	Safety and Security
<p>Annual Turnover of business should be <u>2.5 Million US Dollars</u> or above</p>	<ul style="list-style-type: none"> • Business activity for at least 3 FY. • No Adjudged arears during the last 3 Fys Involving serious offense. • No contraventions 	<ul style="list-style-type: none"> • GAAP Accounting or IFRS Standard • Satisfactory procedures in place for verifying accuracy of Customs Declarations 	<ul style="list-style-type: none"> • Procedural Security • Premises security • Cargo Security • Conveyance Security • Personnel Security • Business Partner Security • Security Training and Threat Awareness • Cyber Security measures in place

10 Annexures required to be submitted along with AEO Application

Types of AEO Certificates

Platinum

(Importers & Exporters)

- **Platinum** is given to AEO after Gold for at least 12 months; or
- AEO be a Gold , and its other business partners are holders of any other equivalent AEO certificate granted by foreign Customs

Gold

(Importers & Exporters)

- **Financial Solvency**
- **Customs & Legal Compliance**
- **Internal Controls**
- **Safety & Security**

Silver

(Service Providers)

- **Service Providers**
- (clearing agents, freight forwarders, shipping agents, customs bonds etc)

Benefits for AEO Certificate Holders

Shorter cargo release time – Priority Placement by giving front line of treatment

The AEO Certificate Holder may provide Post Dated Cheque or corporate guarantee instead of Bank Guarantee

Facility of Direct Port Delivery (DPD) and/ or Direct Port Entry(DPE)

Automated disbursal of drawback amount and sales tax refunds by giving priority treatment.

Refund claims of Sales Tax and Federal Excise Duty, shall be processed on priority.

Single point of assistance to AEOs: designated AEO Relationship Officers in relation to legitimate concerns

Hassle free entry to Custom Houses, terminals, off-dock terminals and dry ports;

GAP Analysis of Pakistan's AEO Program

Overall Goals (Objectives)

Improve Exports competitiveness

Sign MRAs with major trading partners

Increase the number of AEOs including SMEs

To
Be

AEO Program is in its initial stages

Few number of AEOs

No MRA signed yet

No SMEs in AEO program

As
Is

GAP

Establish a Separate Directorate of AEO

Awareness program to attract more Traders into AEO program

Encourage consultant Firm to offer their services to AEO applicants

Capacity building of AEO teams

SWOT Analysis of Pakistan's AEO Program

A robust RMS is already in place in the WeBOC (Pakistan Customs E-Clearance System)

Pakistan Single Window also rolled out OGAs being integrated
FATF compliance has enhanced Pakistan Financial System Security structures

Strength

▪ AEO program in Pakistan can facilitate Pakistan Exporters to reduce the time to fulfill orders and also reduce the cost of doing business.

▪ Pakistan through its AEO program can sign MRAs with its major trading partners to introduce trusted trade lanes to reduce the costs and eliminate bureaucratic hurdles in trade.

Opportunity

▪ There is not much incentive for the Traders to join the AEO program because WeBOC using RMS has already given GREEN CHANNEL facility to the potential AEO traders.

▪ No MRAs yet so no benefit for AEOs in the country of Export.

▪ The Eligibility criteria is very strict so very difficult for traders to comply at application stage

Weakness

▪ The AEO program needs to be implemented with due diligence as per WCO standards in order to win the confidence of trading partners at MRA stage

▪ Mis use of AEO status could undermine the Program and shake confidence for MRAs.

Threat

Thank you

Q & A