



**National Workshop on the Enhancement and Sustainability of the Authorized  
Economic Operators' Program in CAREC**  
29-30 April 2024, Ulaanbaatar, Mongolia



## **RAISING AWARENESS CAMPAIGN**

**AEO program in foreign trade  
information and knowledge of participants  
improvement measures**

**BOLORMAA Vanchindorj, Customs officer,  
Risk Management Division,  
Customs General Administration of Mongolia**

**In foreign trade information and awareness raising activities for participants**

**1**

**AEO program awareness**

**2**

**Legal framework**

**3**

**Current implementation progress**

**4**

**Awareness activities**

**5**

**Moving forward**

# 1. AEO program awareness



## **AEO Authorized economic operator "AEO" program:**

- 2005 session of the Council of the WCO:
  - “SAFE Framework of Standards to Secure and Facilitate Global Trade”,
- "Customs-Business Partnership",
- Ensuring trade security, supporting compliance, and expanding cooperation in customs-business

## **(SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework))**

### Purpose:

- Secure and Facilitate Global Trade;
  - create customs, government and business partnership to jointly implement 29 standards;
- Promote capacity building program consistently.



# 1. AEO program awareness



## **Mutual Recognition Arrangement/Agreement (MRA):**

An agreement between customs authorities to establish and mutually recognize the trade facilitation benefits of an AEO duly obtained from one customs authority to another, and mutual obligations and responsibilities..

## **Customs -to-Business Partnership (C-2-B):**

One of the 3 pillars of the Security Standards, promoting customs and business partnerships, creating a climate of close cooperation and shared responsibility, protecting our borders and promoting trade.

# 1. AEO program awareness



**Authorization:** Establish compliance with the international core standards included in the set of standards in order to:

- Checking and validating the safe operation of documents and physical objects (equipment, etc.) in the workplace at the request of the enterprise,
- Procedure for recognition of legal status of AEO by customs authorities

**AEO:** is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards.

**AEO can be:** Producers, importers, exporters, brokers, carriers, port, airport, terminal managers, warehouse managers, freight forwarders...

## 2. Legal framework



### International legal framework:

- International Convention on Simplification and Harmonization of Customs Clearance Procedures (adopted in Kyoto, Japan in 1973, ratified by Mongolia in 2006);
- WTO Trade Facilitation agreement (entered into force in 2017, ratified by Mongolia in 2016);
- WTO SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) (approved by the WTO Council in 2005 in Brussels, Belgium);
- Mutual recognition agreement (Mongolian Customs signed with China's Customs on April 25, 2019);
- Mutual recognition agreement (Mongolian Customs Organization signed with the Republic of Korea Customs Organization on September 30, 2019);
- Memorandum of Understanding (Mongolian Customs Organization signed on April 28, 2023 with the Trusted Operator of the Republic of Korea).

### National legal framework:

- Law on Customs, 271 1.1.16, (2008);
- "Procedure for granting customs accreditation to enterprises that meet trade facilitation and security standards" approved by order No. A/118 dated March 17, 2021.

## 2. Legal framework

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### CRITERIA

#### Good compliance

##### Criteria

- Workers compliance
- Organizational compliance
- Registration information
- Customs clearance information
- Customs declaration error
- Tax payment
- Management and organizational requirements
- Foreign debt

#### Good internal control of enterprise operations

##### Criteria

- Internal structure
- Customs non-compliance knowledge training
- Records control
- Records management
- Internal audit system
- Accountability system
- Improvement measures
- Information system
- Information security

#### Financial capacity

##### Criteria

- Financial records
- Financial liquidity
- Profits
- Ability to pay tax

#### Strict adherence to foreign trade security standards

##### Criteria

- Facility and warehouse security
- Access security to facility and warehouse
- Worker security
- Business partnership security
- Cargo and goods security
- Container security
- Transport security
- Crisis management

## 2. Legal framework

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### Benefits to AEO depending on the type of business operations

- priority customs clearance;
- temporary storage of the goods in the owner's premises, warehouse or premises;
- a certain exemption from inspection of goods;
- In some cases, customs clearance of goods by bundling them under one customs declaration;
- designated customs officer to assist in resolving issues related to customs law and customs operation;
- customs clearance at any customs office, regardless of the location of the goods;
- benefits in countries with AEO Mutual Recognition Agreement.



### 3. Current progress



## 4. Awareness measures



### Legal basis:

- WTO, TFA Part I, Article 1;
- WCO Revised Kyoto Convention, Chapter 7, Chapter 9, standard 9.4-9.7;
- Law on Customs, Clause 268 <sup>1.1.11</sup>.

## 4. Awareness measures



### 1. Unified legal information system



<https://legalinfo.mn/mn/detail?lawId=16207130917751&type=3>

### 2. The official website of the Customs

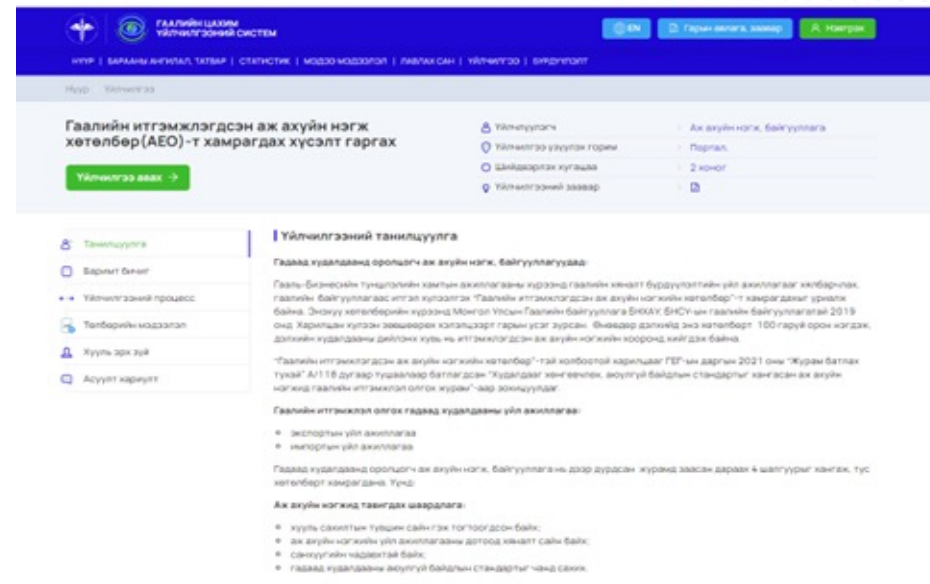
#### News and information:

- Bilateral discussion for acceleration and cooperation on "AEO mutual recognition agreement".  
<https://www.customs.gov.mn/2023/04/06/>
- MCGA and the Association of Trusted Operators of the Republic of Korea signed a Memorandum of Understanding on April 28, 2023.  
<https://www.customs.gov.mn/2023/05/02/>
- Collecting feedback on legal acts.

## 4. Awareness measures

### 3. Customs electronic service system information

- Information required for making a request/application, introduction and instruction



### 4. "Customs business partnership meeting" to be organized by MCGA and customs offices and committees

- Provide information, answer questions, give advice at the annual meeting...

## 4. Awareness measures

### 5. "Open Day" event

- Questions and answers, exchange of information
- Distribute manuals and brochures.



### 6. Training, meeting, magazine

- Meet with the private sector in person, give advice and direction;
- Publish information in the customs magazine.



## 4. Awareness measures



### 7. Social media



<https://www.facebook.com/share/v/4NvpqgmUPd6PrfZ1n/?mibextid=oFDknk>



<https://www.facebook.com/share/v/6Tz3J7GwyRnSoGHP/?mibextid=oFDknk>

### 8. E-mail and official communication

## 5. Moving forward



Cooperate with foreign trade participants in the following areas as part of customs-business partnership:

1. Drafting amendments to the regulation on authorizing enterprises that meet trade facilitation and security standards, approved by order No. A/118 dated March 17, 2021;
2. Engage AEOs in "Programme" awareness activities
3. Involve the relevant government institutions in the implementation of the program.

*Thank you for your kind  
attention!*