

**AEO SCHEME FOR
E-COMMERCE ACTORS
AND TRANSPORTATION
RISK MANAGEMENT -**

***PRIVATE SECTOR
PERSPECTIVE***

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OVERVIEW

- The AEO Scheme;
- Benefits of AEO Scheme for E-Commerce Actors;
- Transportation Risk Management and Risk Mitigation Strategies.

THE AEO SCHEME



- A “collaboration of economic actors towards trade facilitation and enhancing security in the international supply chain.”

AEO under PH Law: 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. (CMTA).

THE AEO SCHEME



OBJECTIVES:

- *Promote trade facilitation; and*
- *Provide a seamless movement of goods across borders*
- *Through a secure international trade supply chains with the use*
 - ✓ *Risk management; and*
 - ✓ *Modern technology.*



ESSENTIAL FACTORS FOR AEO E-COMMERCE ACTORS

- ✓ AEO Certification for E-Commerce Actors is an essential requisite for the enjoyment of benefits and privileges in trade facilitation, ensuring supply chain security.
- ✓ *Customs best practices and recognition as a secure and safe business partner .*

BENEFITS OF AEO SCHEME FOR E-COMMERCE ACTORS

- Streamlined Customs Procedures
- Reduced Customs Inspections and Delays
- Enhanced Security and Credibility
- Competitive Advantage in Global Trade
- Other benefits consistent with the RKC



TRANSPORTATION RISK MANAGEMENT

- Transportation risk management *refers to the systematic process of identifying, assessing, and mitigating risks associated with the movement of goods, products, or people from one location to another.*
- It encompasses various aspects of transportation operations and logistics, aiming to minimize the potential negative impact of unforeseen events or hazards throughout the supply chain.



KEY EXPECTATIONS FOR E-COMMERCE OPERATIONS

- **Customer experience**

Goods are delivered within the specified timeframe & enhancing their overall shopping experience and customer loyalty.

- **Supply chain resilience**

Measures are set to mitigate risks and ensure continuity of operations.

- **Cost Efficiency**

Minimize unexpected expenses on delays, damages, or theft during transit, contributing to cost efficiency and profitability.



KEY EXPECTATIONS FOR E-COMMERCE OPERATIONS

- **Compliance with Legal Obligations**
Reducing the risk of penalties, fines, or legal liabilities.
- **Adaptation to Market Changes**
Adapt swiftly and efficiently; remain agile and competitive in a dynamic marketplace.



COMMON TRANSPORTATION RISKS BY E-COMMERCE ACTORS

- Accidents
- Traffic Delays
- Theft
- Customs and Regulatory compliance issues; and
- Security breaches.



TRANSPORTATION RISK MITIGATION STRATEGIES

- Technology Solutions (GPS Tracking, Route Optimization).
- Collaborative Partnerships with Logistics Providers (Customs Brokers/3PL/4PL).
- Hub and Spoke/Consolidation Model.
- Insurance and Liability Considerations.
- Contingency Planning for Disruptions.



THANK YOU!

Atty. Ferdinand A. Nague
Managing Partner

NMM | NAGUE MALIC MAGNAWA & ASSOCIATES
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COMPLIANCE BEYOND BORDERS