



**Asia-Pacific
Economic Cooperation**

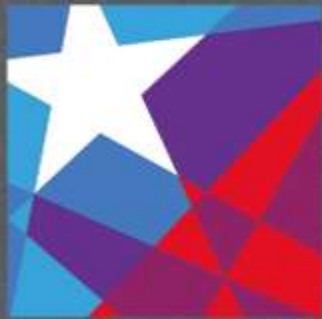
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Authorized Economic Operators Program: A World Customs Organization Initiative

Submitted by: SCCP



**Anti-Corruption and Transparency Experts'
Working Group Cross Fora Meeting
Santiago, Chile
28 February 2019**



APEC
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Cross Fora Collaboration Initiative SCCP and ACTWG

Sub-Committee on Customs Procedures Meeting
February 26th -27th 2019



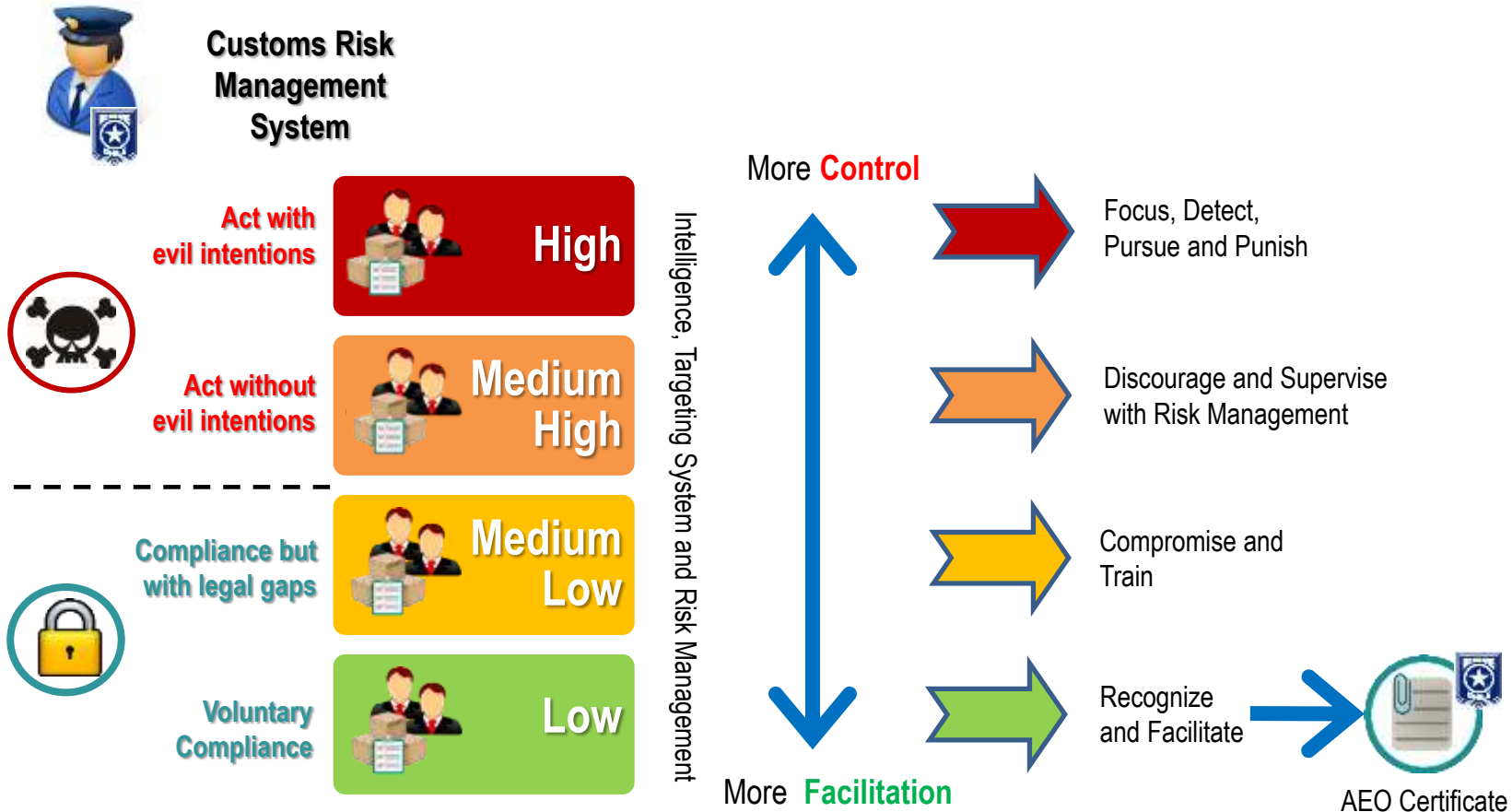
AEO PROGRAM

It is an initiative of the World Customs Organization (WCO) established in the SAFE Framework, which proposes a free and voluntary program and whose objective is to strengthen the security of the international supply chain through the establishment of a certification program that certifies that the companies comply with a security standard in its customs processes and commercial operations, obtaining in return benefits in terms of control and simplification of procedures that allow to improve competitiveness and create new opportunities for growth.



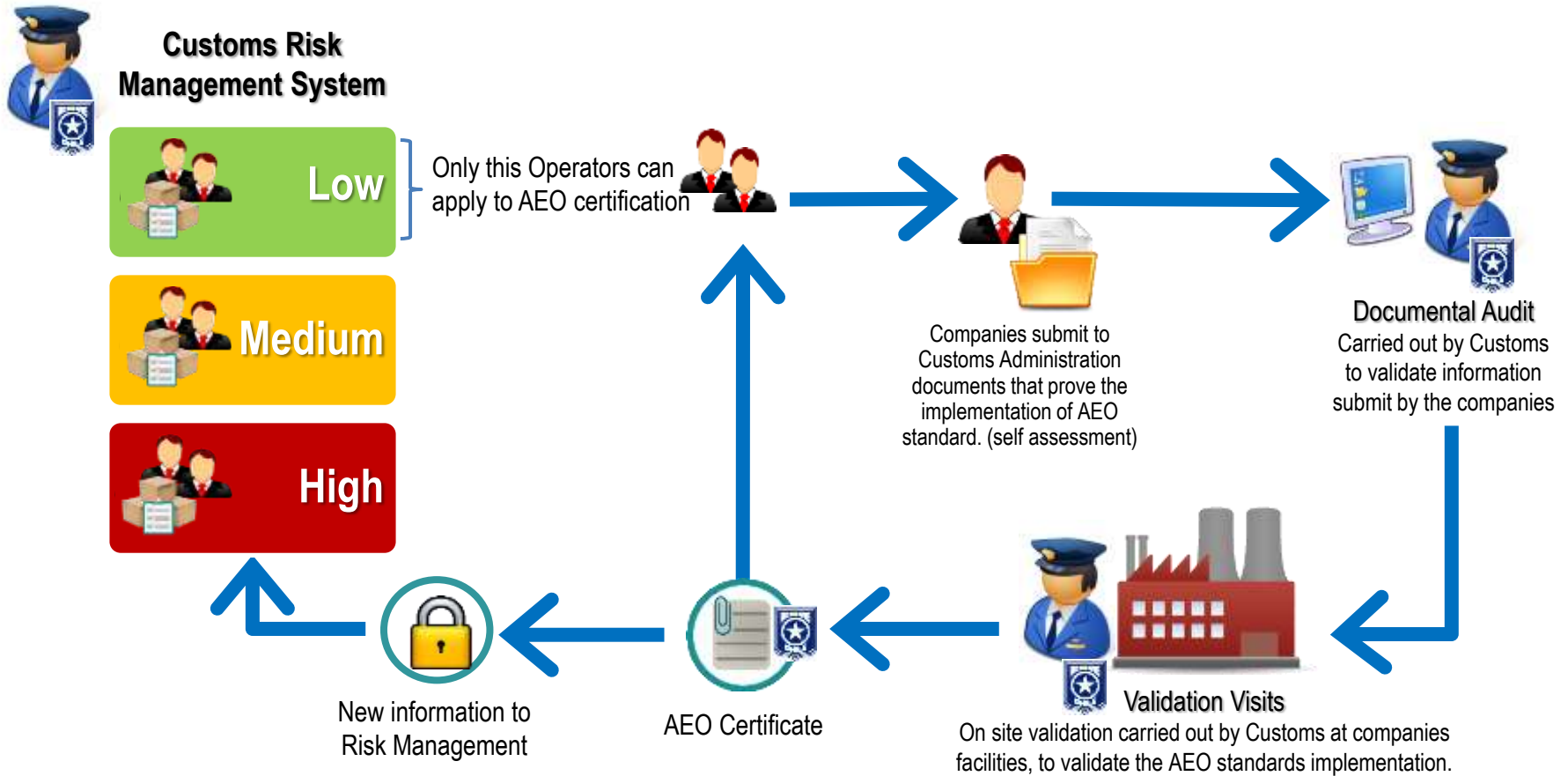


HOW DOES THE AEO PROGRAM WORK?





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AEO PROGRAM REQUIREMENTS STRUCTURE



Admissibility Requirements

- Customs Compliance
- Legal Compliance
- Financial Viability



Security Requirements

- Security Policy
- Risk Management System
- Staff security
- Security of the information
- Monitoring of Customs Obligations
- Cargo Security
- Security of Transportation Means
- Facility security
- Security of business partners
- Crisis management and resilience
- Education & Training
- Security Evaluation

ADMISIBILITY REQUIREMENTS

Financial Compliance

The Operator must prove that it has a financial standard to comply with its obligations and maintain the investments made for the AEO certification.

Customs Compliance

The Operator must comply with the risk profile established by Customs for the purposes of the AEO certification.

Legal Compliance

The Operator, its legal representatives, partners and directors, as applicable, must comply with the current legal framework in Chile and may not have been convicted, serving a sentence or involved in an investigation process, for economic and / or customs and / or tax offenses, in the 3 years prior to the date of application.

SECURITY REQUIREMENTS



The AEO Standard (requirements) is structured in order that companies can build and implement a **Management Security System**





Staff Security

Customs and AEOs shall, based on their authorities and competencies, screen the background of prospective employees to the extent legally possible. In addition, they shall prohibit unauthorized access to facilities, transport conveyances, loading docks and cargo areas that may reasonably affect the security of those areas in the supply chain under their responsibility.

This element requires that the AEO:



- a) take all reasonable precautions when recruiting new staff to verify that they are not previously convicted of security-related, Customs or other criminal offences, to the extent permitted by national legislation;
- b) conduct periodic or for cause background checks on employees working in security sensitive positions;
- c) have employee identification procedures, and require that all employees carry proper company issued identification that uniquely identifies the individual employee and organization;
- d) have procedures in place to identify, record and deal with unauthorized or unidentified persons, such as photo identification and sign-in registers for visitors and vendors at all points of entry;
- e) have procedures in place to expeditiously remove identification, premises and information systems access for employees whose employment has been terminated.



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PROPOSAL FOR THE CROSS FOR A COLLABORATION



The proposal for the cross fora collaboration is to analyze how to complement the AEO requirements associated with letters a) and b) to better address the anti-corruption aspects.

In this sense, we propose to work with the anti-corruption group in a "good practices manual" for AEOs officials and companies of APEC economies.

This manual will consider measures and procedures to prevent AEO companies and customs officers from being corrupted by drug and contraband networks.



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