

## What is an AEO?

Refers to:

✓ Importer, exporter, customs broker, forwarder, freightforwarder, 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 riskmanagement and modern technology.

## Who May Apply?

Pursuant to Customs Memorandum Order (CMO) 9-2020, the implementation of the AEO Program shall only cover Importers and Exporters. The roll-out of implementation of AEO for other stakeholders shall be upon the issuance of subsequent regulations.

### Implementing Rules and Regulations:

- Customs Administrative Order (CAO) 5-2017
- Customs Memorandum Order (CMO) 9-2020


Kindly visit <http://customs.gov.ph/aeo-philippines/> to download all forms needed for the Application of AEO



[www.customs.gov.ph](http://www.customs.gov.ph)

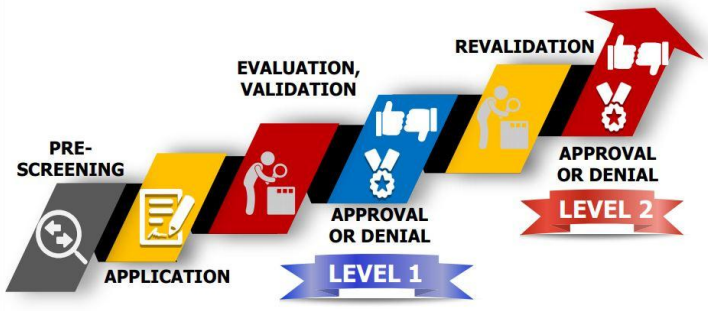
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# ACCREDITATION PROCESS

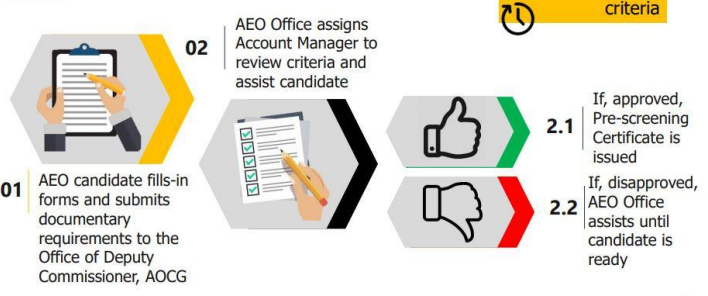


## DOCUMENTARY REQUIREMENTS

### PRE-SCREENING

1. Notarized Pre-Screening Form (Annex A);
2. Notarized Self-Assessment Questionnaire (Annex B);
3. Risk Evaluation Sheet (Annex C)
4. Notarized Undertaking (Annex D)
5. Financial Documents (e.g. Annual BIR Returns, Financial Report, etc.)
6. SEC/DTI Registration, as applicable;
7. Mayor's Permit and/or Certificate of Registration (i.e. BOI, PEZA, SBMA, etc.), as applicable; and
8. General Information Sheet (GIS)

### PRE-SCREENING



### LEVEL 1: APPLICATION

90 days from application

If, disapproved, applicant may re-apply after one year from initial application

If, approved, applicant is accredited as Level 1 Member

Applicant submits complete application form at AEO Online portal together with Pre-screening certificate

AEO Office evaluates document submission and conducts on-site inspection of facility

**Level 1 Benefits:**

- ✓ Exemption from Renewal of Accreditation
- ✓ Self-Assessment
- ✓ Supplementary Goods Declaration
- ✓ Dedicated Help Desk
- ✓ Other benefits consistent with RKC

## ACCREDITATION CRITERIA

### GENERAL CRITERIA

- Business ownership, structure, and organization
- Corporate or business profile and projected business activity;
- End-to-end import or export process and local distribution system, if any;
- Entities involved in foreign supply and/or local distribution chain
- In operation for at least one (1) year prior to the date of application
- None of the executive officers and directors have violated customs laws and procedures and/or found criminally liable for violation of any Philippine laws, rules and regulations within three (3) years from
- List of goods imported or exported
- Internal customs compliance control
- Customs compliance history
- Business process continuity mechanism
- Financial Viability
- Obtained the necessary permits, licenses, and/or concession if regulated by another government agency
- Must have a dedicated office or unit or responsible officer whose main function is to ensure the applicant's compliance

### SECURITY CRITERIA

- Cargo handling and safekeeping**
  - 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
- Supply and trading partner**
  - 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
- Record keeping and IT System**
  - 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
- Personnel complement**
  - Pre-Employment Verification and Background Checks
  - Periodic Background Checks / Reinvestigations for Current Personnel
  - Resignation and Termination of Personnel
  - Temporary personnel security standards
  - External Services

## SECURITY CRITERIA

- Physical premises and access control**
  - 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
- Security training, threat awareness, and outreach**
  - 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
- Conveyance Security**
  - 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, refueling 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

### LEVEL 2: REVALIDATION

One year from accreditation

Revalidation of security measures and supply chain security practices of Level 1 member (e.g. site visit)

If, disapproved, retained as Level 1 Member

If, approved, applicant is accredited as Level 2 Member

**Level 2 Benefits:**

- ✓ Dedicated processing lane
- ✓ Advance Clearance Process
- ✓ Periodic lodgement
- ✓ One time exemption certificate
- ✓ Expedited Customs Clearance for Exports
- ✓ Other benefits consistent with RKC

### LEVEL 3

The Commissioner, subject to the approval of the Secretary of Finance, shall designate appropriate criteria and benefits to validated Level 3 members

Two (2) years from effectivity of CAO 5-2017