

# *The Introduction of Taiwan AEO Program*



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## *Outline*

**Part 1**

**The Current Status of  
Taiwan AEO Program**

**Part 2**

**The Connection Between  
Taiwan AEO & Singapore STP**

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## ***Part 1***

# ***The Current Status of Taiwan AEO Program***

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## ***Primary Goals***

- Enhance supply chain security by following the rules of WCO SAFE Framework.
- Facilitate the flow of legitimate cargo through the provision of AEO member benefits, while allowing customs to concentrate on higher risk shipment.
- Cooperate with other countries in the international community to secure and facilitate global trade through reaching mutual recognition .

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# Development of Taiwan AEO

**2006**

- Decide to adopt WCO SAFE Framework

**2009**

- Finish AEO pilot project with 2 companies
- Implement AEO program with importer and exporter
- Integrate AEO program with Authorized Trader system

**2010**

- Include all supply chain stakeholders for AEO program
- Continue to provide well-planned training
- Side-by-side comparison with C-TPAT sent to the U.S.

**2011**

- Launch AEO information system for on-line application
- Reach mutual recognition with other countries
- The number of certified AEO members reach to 50

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## 2 Types of AEO

**Taiwan  
AEO**

**General AEO  
(AEOC)**

**Security and Safety AEO  
(AEOS)**

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# Requirements of AEO

## AEOC

Minimum average annual trade amount

No confirmed arrears of duty and penalty fine

Computerized system for export/import procedures

Connection with Customs for online declarations



Proven financial solvency

No serious violation of regulations in the past 3 years

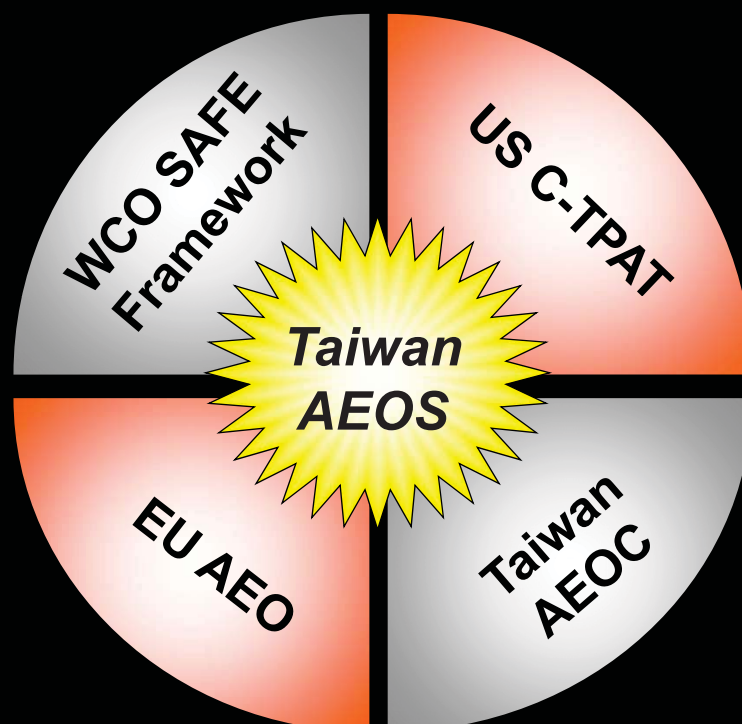
Meet security criteria



## AEOS

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# Requirement References of AEOS



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# Validation Criteria of AEOS

1. Management Organization

2. Consultation, Cooperation and Communication

3. Physical and Premises Security

4. Access Control

5. Employee Security

6. Procedural Security

7. Business Partner Security

8. Cargo Security

9. Container Security

10. Conveyance Security

11. Information Technology Security

12. Security Training and Threat Awareness

13. Incident Prevention and Handling

14. Assessment and Improvement

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# Business Entities

**AEOC**

Importer and Exporter

**AEOS**

- Stage 1 : Importer and Exporter
- Stage 2 : All supply Chain Stakeholders

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# Major Benefits of AEO

## For Importers and Exporters

### AEOC

- ✓ Lower inspection rate
- ✓ Monthly consolidated payment of duty
- ✓ Monthly payment of duty without deposits

### AEOS

- ✓ Lowest inspection rate
- ✓ Monthly consolidated payment of duty
- ✓ Monthly payment of duty without deposits
- ✓ A single contact window pertaining to the customs clearance procedures
- ✓ Apply for non-intrusive inspection

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## Number of AEO Members (2010.11)

AEOC

320

AEOS

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The number of AEOS is expected to reach **50** at the end of 2011.

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## ***Certification Process of AEOs***

**Application submitted to customs office**

**Application documents reviewed by customs office**

**On-site validation conducted by SCSS**

**Documents review and validation report sent to AEO Center for final decision**

**Certificate issued if the application is approved**

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## ***Follow-up for AEOs***

- AEOs shall perform self-examination at least once a year ; customs may conduct random inspection.
- If customs finds that AEOs fails to conform to security criteria, customs shall issue a notice demanding AEOs to make improvement within 30 days.
- If AEOs fails to make improvement within the deadline, customs may suspend or revoke the status of AEOs.

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# Training of SCSS

( **S**upply **C**hain **S**ecurity **S**pecialist )

**Internal  
Training**

AEO validation instruction by  
experienced customs officers

**External  
Learning**

ISO audit experience sharing  
from external experts

**International  
Exchange**

C-TPAT & EU AEO Seminars

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# Features of Taiwan AEO

**Full-fledged  
operational program**

**Well-established  
certification process**

**Taiwan AEO**

**Complete security  
criteria**

**Well-trained SCSS  
for validation**

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## **Part 2**

# ***The Connection Between Taiwan AEO & Singapore STP***

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## ***Comparable Programs***

### ***Similarities between Taiwan AEO and Singapore STP :***

- ✓ Consistent with WCO SAFE Framework**
- ✓ Apply to all supply chain stakeholders**
- ✓ The 8 elements of STP security measures correspond to security criteria of Taiwan AEO**
- ✓ Certificate with 3 years validity period**

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## *Trade Relationship*

- Singapore is Taiwan's 6th largest trading partner while Taiwan is Singapore's 9th largest trading partner. The annual amount of bilateral trade reached to USD 13.4 billion in 2009.
- Taiwan and Singapore will initiate talks in the near future on the feasibility of signing a bilateral economic cooperation agreement under the framework of the World Trade Organization.

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*A great fit for the cooperation between  
Taiwan AEO and Singapore STP !*



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*Thanks for Your Attention !*



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