

***Assessing the Impact of the AEO Programme:
Measuring the Benefits***



8th May 2024

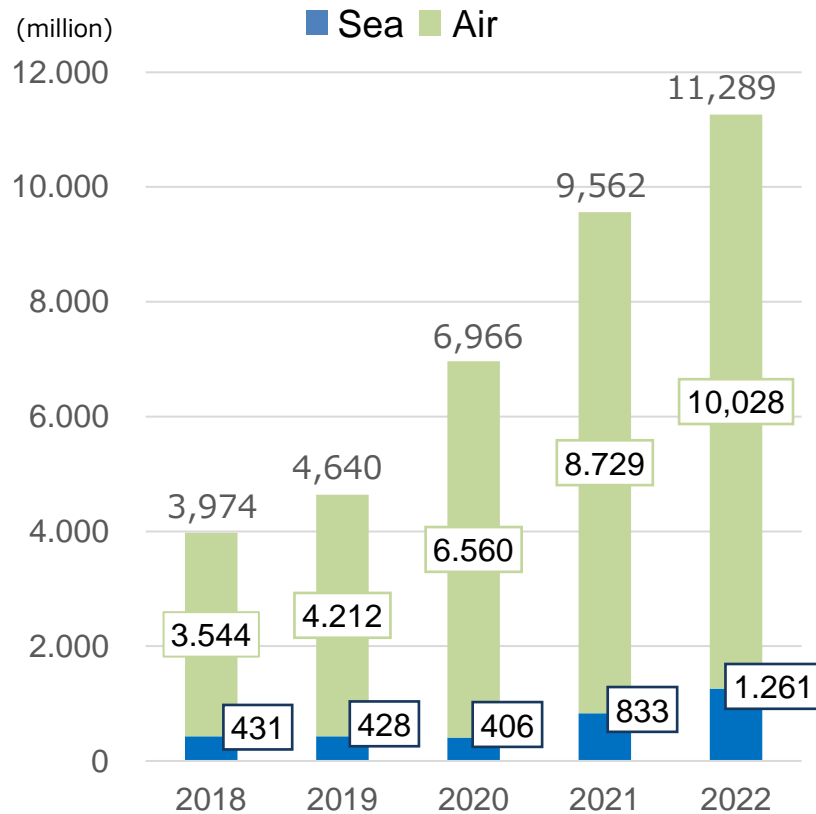
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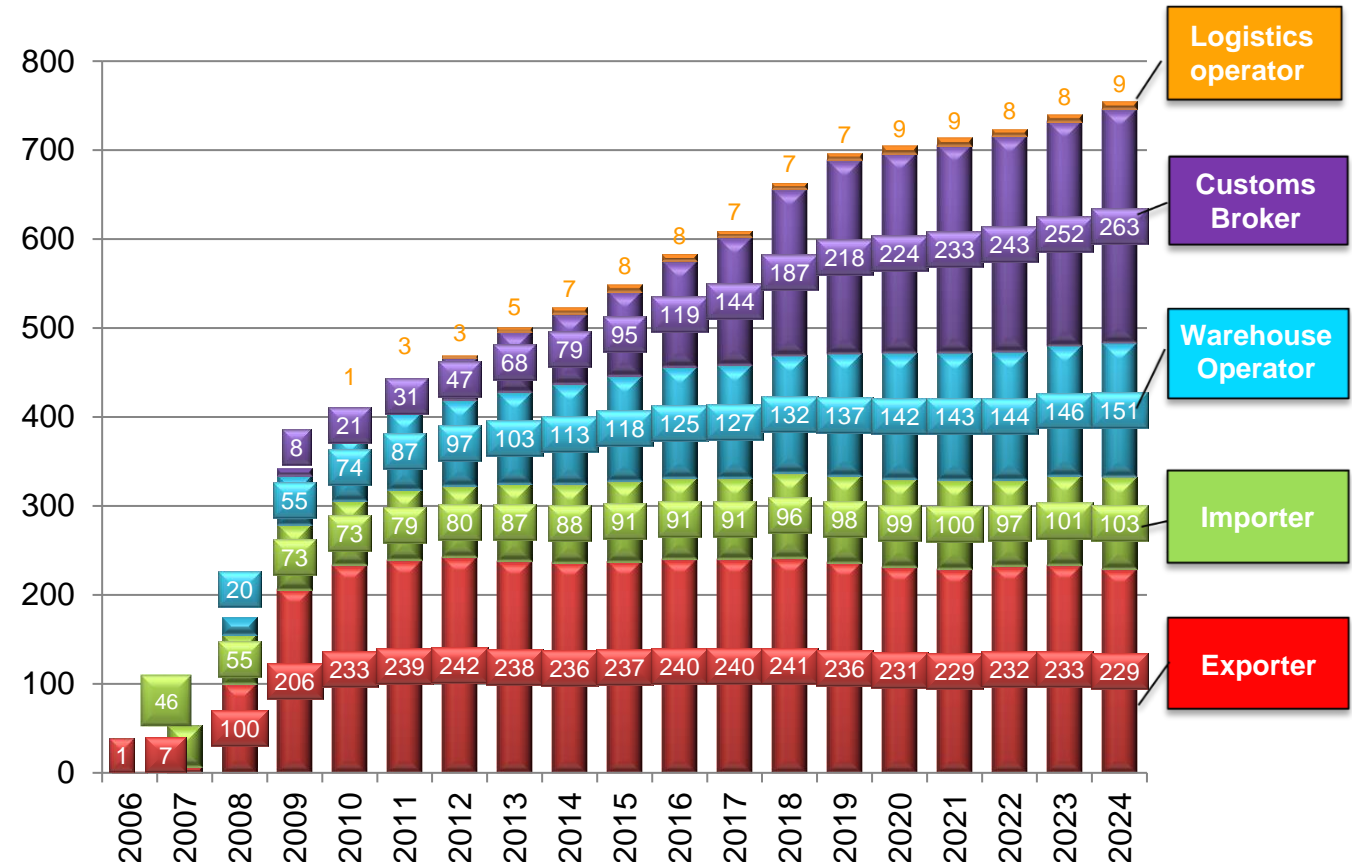
The Situation Surrounding Japan's AEO program

- To ensure the security of international logistics and further trade facilitation, expanding the AEO program is becoming more and more important with this rapidly changing environment of International trade.
- As the number of import declarations increases with this recent expansion of cross-border e-commerce, Customs needs to focus its limited resources on high-risk cargoes.

<Number of import permission>



<Number of AEOs>

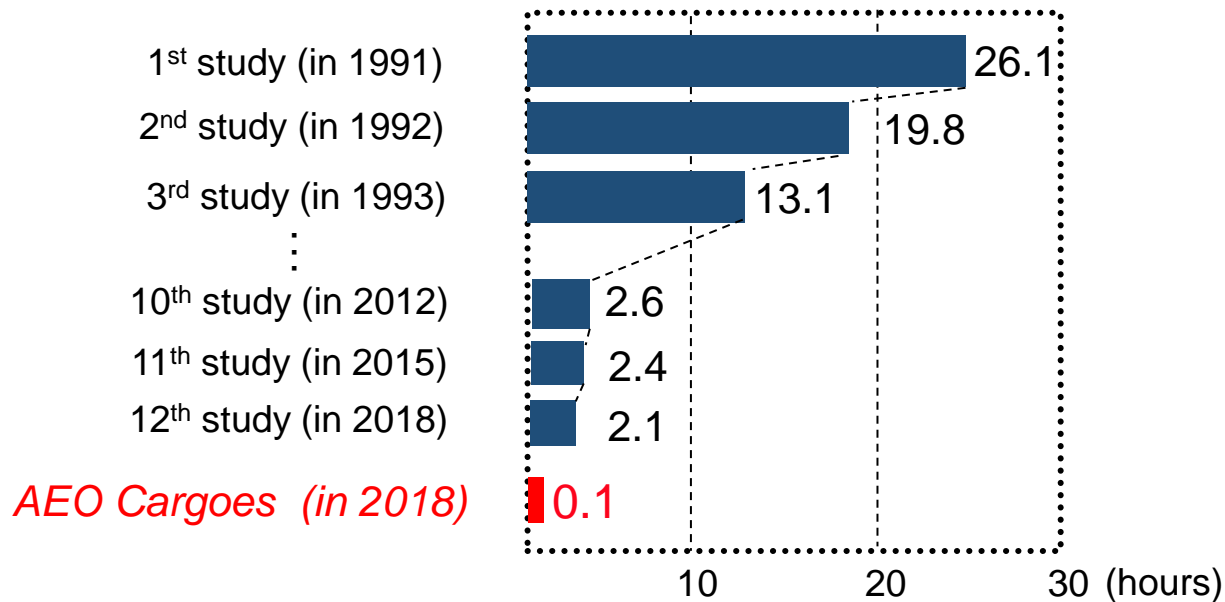


Measurement of the impact of AEO program

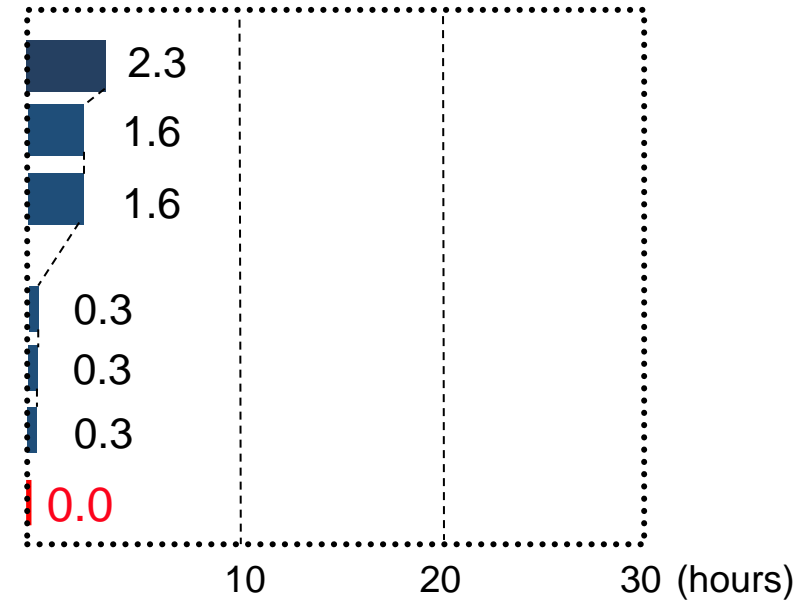
➤ Time Release Study (Imported Cargo)

The bars as below shows mean times of a period from Customs declaration to import permit.

【 Sea Cargoes 】



【 Air Cargoes 】



➤ Government Policy Evaluations

【Trade transactions involving AEOs (value basis)】

Year	2018	2019	2020	2021	2022
Goal	—	—	—	80.0%	80.0%
Result	79.6%	80.3%	77.1%	79.0%	74.3%

【Awareness of AEO program among importers and exporters】

FY	2018	2019	2020	2021	2022
Goal	90.0%	90.0%	90.0%	Maintain	Maintain
Result	89.0%	88.2%	90.8%	87.4%	91.7%

Measurement of the impact of AEO program

【 Cooperation with the AEO Business Liaison Council】

Overview

- AEO Business Liaison Council
 - Established in 2015
 - Members : 678 AEOs (about 90% AEOs joined) as of the end of March 2024
 - Japan Tariff Association (JTA) act as secretariat

Purpose

- Contribute to the expansion of the AEO system and its proper operation by widely disseminating the policies regarding the AEO businesses being done by Customs.
- Collect opinions and requests from AEO, and make and submit policy recommendations to Japan Customs (Customs and Tariff Bureau).

Submission of policy recommendations

- Recommendations were developed based on the opinions and requests raised from AEOs
 - First : February 2018 (15 items)
 - Second : May 2019 (9 items)
 - Third : April 2023 (9 items)

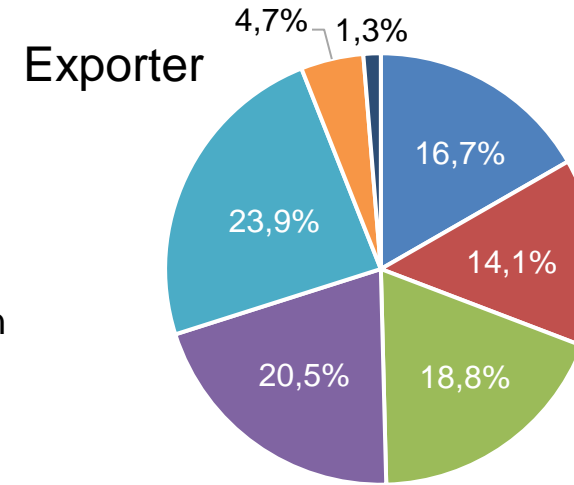
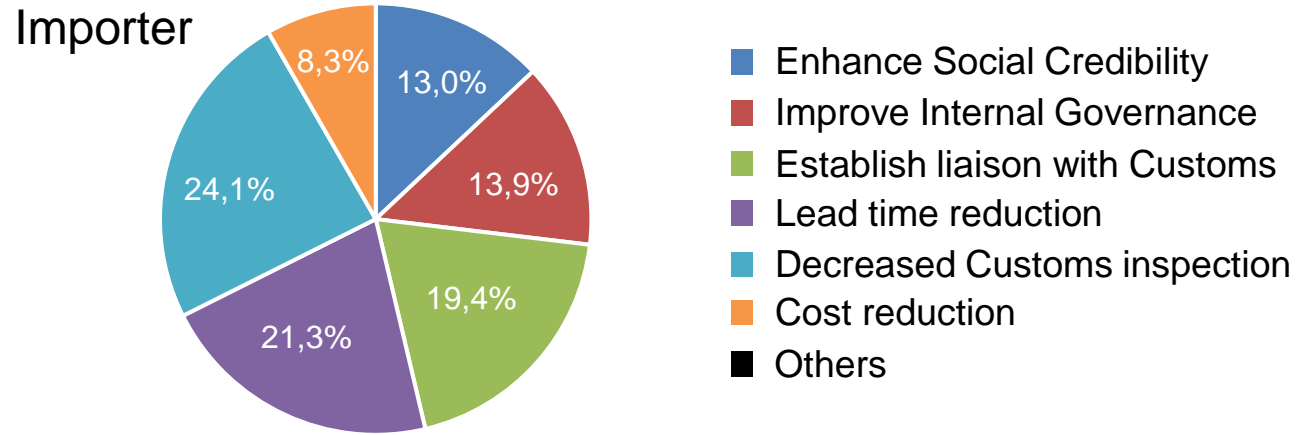


Measurement of the impact of AEO program

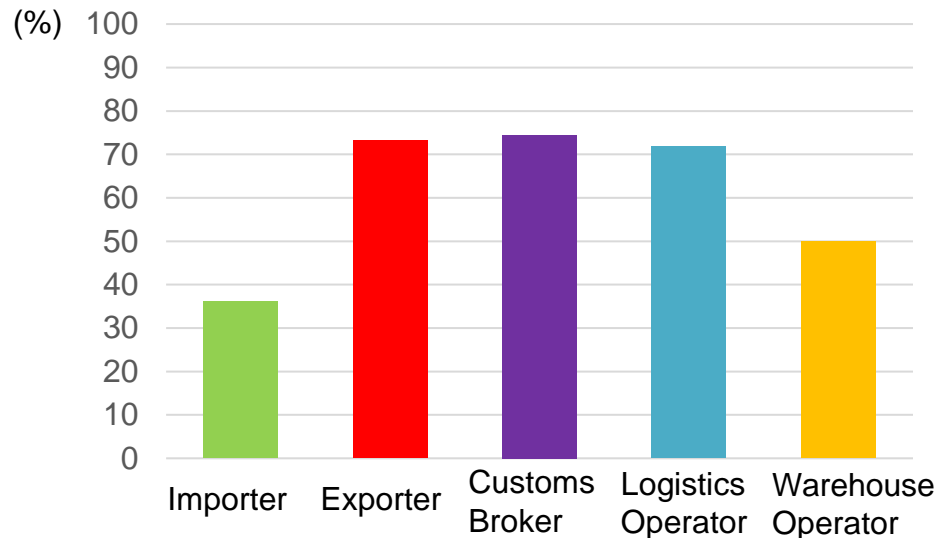
【 Questionnaire surveys of Japan's AEO program (2023) conducted by JTA】

Source: Japan Tariff Association (JTA) website

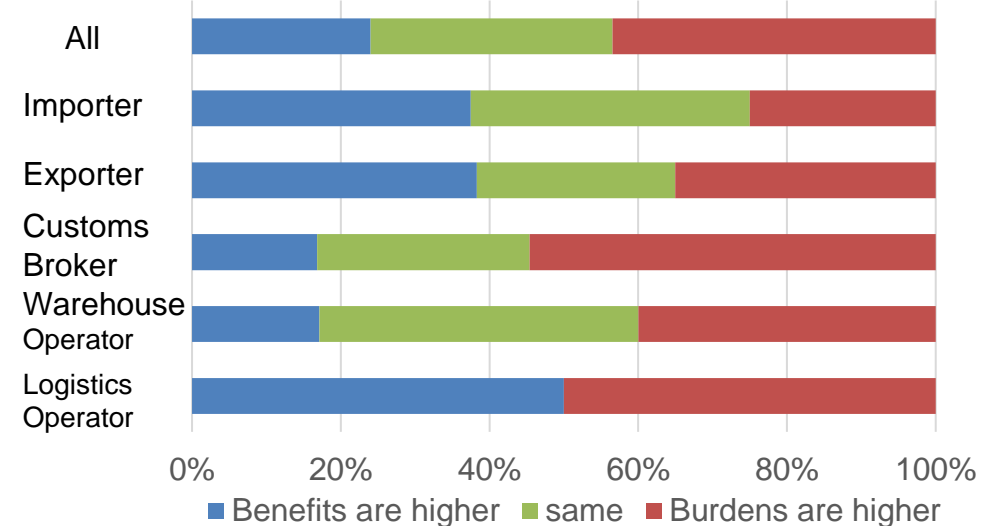
Q1. Which benefit is the most attractive for AEOs?



Q2. Inquiries from customer whether AEO or not



Q3. Balance between benefits and burdens



Improving the AEO system based on the needs of businesses

Requests from Japan Tariff Association (Main items)

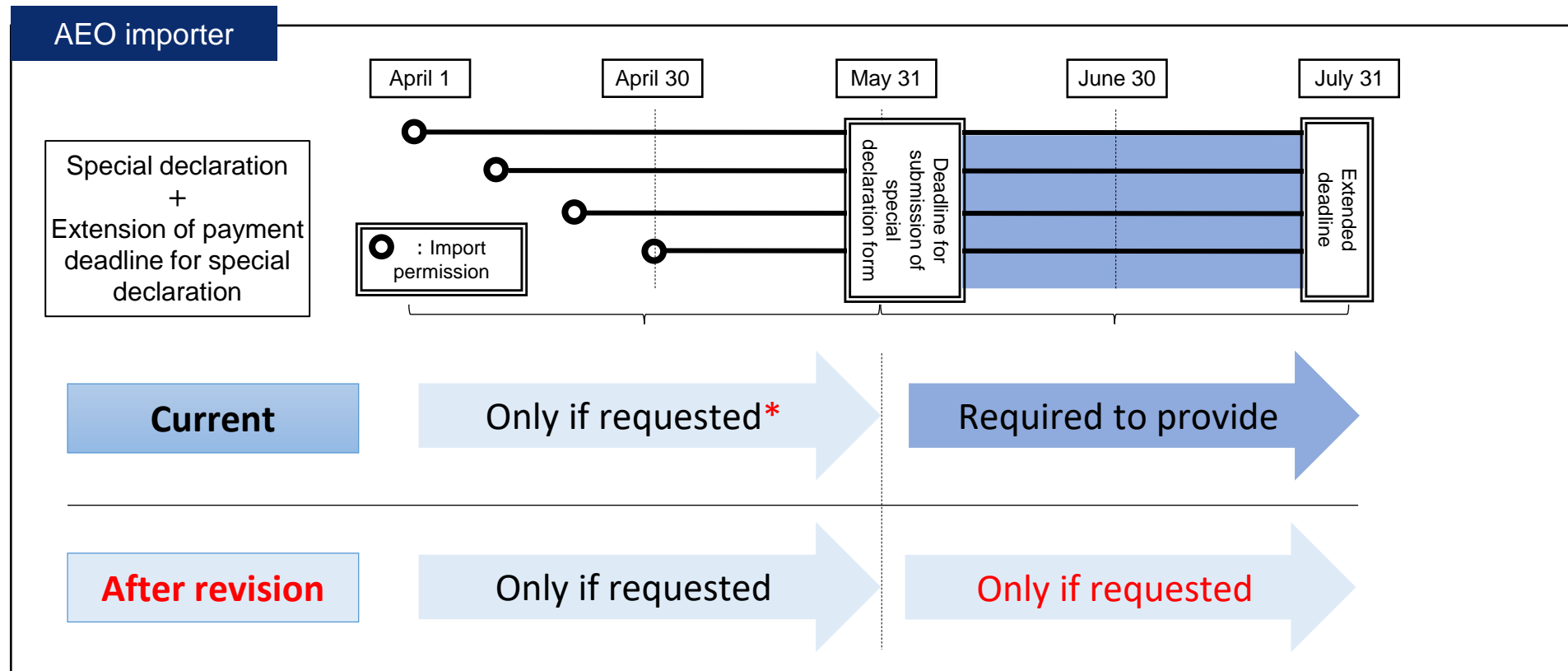
- Sharing information for AEO's internal training
 - For fruitful training, information such as good practice or case of an accident is needed.
- Promotion and Improvement of Mutual Recognition Agreement (MRA)
 - Ensure that domestic AEO are well informed of how to use MRA
 - Promote MRA with other countries.
- Relaxing guarantees for “Extension of Time-Limit for Payment”
 - Set the amount of guarantees in consideration of AEO compliance.



- The number of AEO importer remains around 100 for a long time
- In order to expand the use of AEO program, Japan Customs has started to consider relaxing guarantees for “Extension of Time-Limit for Payment”

Realizing the cost saving by improving AEO program

- Japan Customs confirm the AEO importer's financial status at the time of their approval and post audit.
- Guarantees for the extension of payment deadline for special declaration are going to be relaxed from "required" to "only if requested".



*Customs request the AEO to provide guarantees, if the AEO's financial status deteriorates.